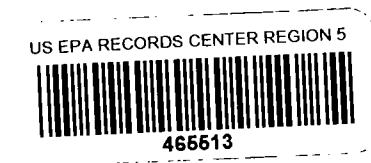




**General Motors Corporation
Legal Staff**

Facsimile
(313) 665-4896/(248) 267-4286



Telephone
(313) 665-4883

April 27, 2001

MAY 01 2001

VIA FEDERAL EXPRESS – 312-886-7048

U.S. Environmental Protection Agency
Deena Sheppard-Johnson, SR-6J
Remedial Enforcement Support Section
77 West Jackson Blvd.
Chicago, IL 60604

RE: The Chemical Recovery Systems Site, Elyria, Ohio
Response to 104(e) Request for Information

Dear Ms. Sheppard-Johnson:

Enclosed is GM's response to the above referenced Request for Information. Our investigation is continuing. If relevant information is found, our response will be updated.

As I indicated in my earlier correspondence, I will be GM's representative at this site. Please send any future correspondence directly to me at the address indicated below. My email address is linda.l.bentley@gm.com.

If you have any questions, please call me.

Very truly yours,

Linda L. Bentley
Legal Assistant

Enclosures

**General Motors Corporation Response
104(e) Request for Information
Chemical Recovery Systems Site, Elyria, Ohio**

April 27, 2001

1. Prepared by:

Linda L. Bentley, Legal Assistant
General Motors Corporation
M.C. 482-C24-D24
300 Renaissance Center
Detroit, MI 48243

Consulted:

Robert Crankshaw, Environmental Engineer, General Motors – Lordstown Metal Fabricating, 2369 Ellsworth-Bailey Road, Lordstown, OH 44481

Gerald King, Environmental Engineer, General Motors – Lordstown Assembly 2300 Hallock-Young Road, Warren, OH 44482

2. A reasonable investigation was conducted of facility records including but not limited to Engineering, Purchasing and Shipping records. At the Lordstown Assembly facility one manifest from 1980 which listed the Elyria, Ohio address was found (copy attached). However, it is a Michigan manifest and uses the Michigan Chemical Recovery Systems facility ID number. No relevant documents were found at the Lordstown Metalfab facility.
3. N/A
4. Lordstown Assembly – OHD020632998

Lordstown Metal Fab – OHD083321091
5. General Motors has no information or documentation which would be responsive to this request.
6. General Motors has no information which would be responsive to this request.
7. a-b, d-m – General Motors has no information or documentation which would be responsive to these requests.

c, n and o – Solvents and thinners from the Lordstown Assembly facility were sent to Chemical Recovery Systems, Inc, Michigan Recovery Systems, Inc. and Chemical Recovery Systems of Michigan located at 36345 Van Born Road Romulus, Michigan 48174.

8. a)-b) Based on reasonable investigation the Lordstown Assembly facility generated and transported material on 11/20/1980 which may have gone to the Chemical Recovery Systems site.
9. a) General Motors has no information which would be responsive to this request.
b) 11/20/1980
c) Chemical content was lacquer, paint or thinner. Characteristic is ignitability. Physical state was liquid. Process for which substance was used or which generated the substance would have been vehicle painting.
d) GM Lordstown Assembly
e) 6,000 gallons
f)-h) Based on a reasonable investigation General Motors has no information which would be responsive to this request.
i) Based on the manifest it is believed the material was intended to go to Chemical Recovery Systems
36345 Van Born Road
Romulus, MI 48174
j) Based on a reasonable investigation General Motors has no information which would be responsive to this request.
k) Fuel blending
l) Based on a reasonable investigation General Motors has no information which would be responsive to this request.
m) Based on a reasonable investigation General Motors has no information which would be responsive to this request.
n) Based on the manifest material was contained in a bulk tanker.
o) Based on a reasonable investigation General Motors has no information which would be responsive to this request.
p) Please see attached manifest
q) Gerald King found the attached manifest during his investigation.
10. General Motors has no general liability insurance coverage that would cover any matter concerning this site.
11. General Motors respectfully requests to be allowed to submit the attached copy of its most recent Annual Report in lieu of the documents requested.
12. a)-d) General Motors respectfully requests to be allowed to submit the attached copy of its most recent Annual Report in lieu of the documents requested. Please note that General Motors Corporation does not have a parent.
13. N/A
14. N/A

INDUSTRIAL WASTE DISPOSAL MANIFEST
MICHIGAN DEPARTMENT OF NATURAL RESOURCES — ENVIRONMENTAL PROTECTION BUREAU

Nº 4650

TOTAL P.02
PAGE.02

I. GENERATOR DESCRIPTION AND DISPOSITION OF WASTE (MUST BE FILLED IN BY PRODUCER)

A. GENERATOR OF WASTE: FACILITY NUMBER OH020632498
NAME GM ASSEMBLY DIVISION, GMC
ADDRESS 2300 HALLOCK YOUNG RD WARREN, OH 44482
PRODUCER ORDER NO. CMR452820 SHIPMENT DATE 11/20/80
PERSON TO CONTACT CHIEF PLANT SECURITY PHONE 216-841-5500 (24HR)

B. DESCRIPTION OF WASTE (Mandatory)

HAZARD CLASS: FLAMMABLE LIQUID

SHIPPING NAME: (DOT OR EPA) COMPOUND, LAQUER, PAINT, OR VARNISH, REMOVING
REDUING OR THINNING LIQUID

SIC CODE	PHYS. STATE	TYPE OF CONTAINER	QUANTITY	UNIT	WASTE TYPE	PERCENT SOLIDS
3711	2	21	6000	2		

CODES:

PHYSICAL STATE 1 = SOLID 2 = LIQUID 3 = GAS 4 = SLUDGE
CONTAINER TYPE 1 = 55 GAL. DRUM 2 = BULK TANK 3 = SELF CONTAINED UNITS 4 = OTHER (Specify) _____
UNIT 1 = CU.YDS. 2 = GALLONS 3 = POUNDS
WASTE TYPE (SEE INSTRUCTIONS) 99 = OTHER (Specify) _____

MAJOR COMPONENTS (GREATER THAN 1% CONCENTRATION)

CONCENTRATION

	Upper %	Lower %
1. _____		
2. _____		
3. _____		
4. _____		
5. _____		
6. _____		

INDICATE IF THE WASTE CONTAINS ANY OF THE MATERIALS LISTED IN TABLE TWO.

PARAMETER NO.

CONCENTRATION

_____	_____
_____	_____
_____	_____
_____	_____

EMERGENCY SPILL INFORMATION

CONTAIN AND DISPOSE IN
ACCORDANCE WITH LAWS AND REGULATIONS

C. NAME OF HAULER CHEMICAL RECOVERY SYSTEMS
BUSINESS ADDRESS 142 LOCUST ST. ELYRIA OHIO 44035
NAME OF PROCESSOR SAME
SITE ADDRESS SAME

D. GENERATOR CERTIFICATION: TO THE BEST OF OUR KNOWLEDGE

THIS IS TO CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE MATERIALS DESCRIBED IN 1/B ARE PROPERLY CLASSIFIED, DESCRIBED, PACKAGED, MARKED, AND LABELED AND ARE IN PROPER CONDITION FOR TRANSPORTATION ACCORDING TO THE APPLICABLE REGULATIONS OF THE DEPARTMENT OF TRANSPORTATION AND THE U.S. ENVIRONMENTAL PROTECTION AGENCY.

NAME & TITLE (please print) WIRDE SHIFT ENGR. SIGNATURE Michael J. Duro DATE 11-20-80

Keep goldenrod copy for your records. Send pink copy to:

DEPARTMENT OF NATURAL RESOURCES, WATER QUALITY DIVISION, P.O. BOX 30028, LANSING, MI 48909

II. HAULER OF WASTE (MUST BE FILLED IN BY HAULER)

A. NAME Chemical Recovery Systems Inc.
ADDRESS 142 Locust St Elyria Ohio
TELEPHONE NUMBER 216-323-3275 PICK-UP DATE 11/20/80

B. HAULER JOB NUMBER 52820 FACILITY NUMBER H-101
C. VEHICLE LICENSE NO. 084510 STATE OHIO

D. HAULER CERTIFICATION:

THIS IS TO CERTIFY UNDER THE PENALTY OF PERJURY THE WASTE DESCRIBED IN PART 1/B OF THIS MANIFEST OR IN THE ATTACHMENT WAS ACCEPTED BY ME FOR TRANSPORTATION TO THE PROCESSING FACILITY NAMED IN PART 1/C.

NAME AND TITLE (please print) Driver SIGNATURE Donald Mattheis DATE 11-20-80
Keep canary copy for your records.

III. PROCESSOR OF WASTE (MUST BE FILLED IN BY TREATMENT/STORAGE/DISPOSAL FACILITY)

FACILITY NUMBER PH0060975844

A. NAME _____
ADDRESS _____
TELEPHONE NUMBER _____ ACCEPTANCE DATE 11/20/80

B. PROCESS METHOD:

☐ INCINERATION ☒ RECLAMATION ☐ OTHER (Specify) _____

C. CERTIFICATION:

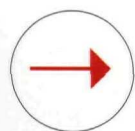
THE HAULER NAMED ABOVE DELIVERED THE WASTE DESCRIBED IN PART 1/B OF THIS MANIFEST TO THIS PROCESSING FACILITY. IT WAS ACCEPTABLE MATERIAL FOR PROCESSING UNDER THE TERMS OF FEDERAL, STATE, AND LOCAL REGULATIONS. I CERTIFY (OR DECLARE) UNDER PENALTY OF PERJURY THAT THE FOREGOING IS TRUE AND CORRECT.

NAME AND TITLE (please print) J.A. HEIMBUCH SIGNATURE J.A. Heimbuch DATE 11-20-80

Keep green copy for your records. Send white copy to:

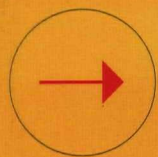
DEPARTMENT OF NATURAL RESOURCES, WATER QUALITY DIVISION, P.O. BOX 30028, LANSING, MI 48909

ALL SPILLS MUST BE REPORTED TO THE MICHIGAN POLLUTION EMERGENCY ALERTING SYSTEM AT 517-373-7660, 24 HOURS PER DAY
AND THE NATIONAL RESPONSE CENTER AT 800-424-8802



F a s t e n your seatbelt





We're accelerating the

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IBC	General Information

pace of change



Financial Highlights

The following amounts are presented on a reported basis, and therefore include the impact of special items discussed on pages 41-42 of the Management's Discussion and Analysis of Financial Condition and Results of Operations.

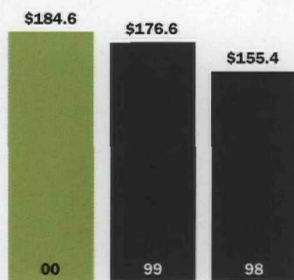
(Dollars in millions, except per share amounts) Years ended December 31,

	2000	1999	1998
Total net sales and revenues	\$184,632	\$176,558	\$155,445
Worldwide wholesale sales (units in thousands)	8,746	8,786	8,024
Net income			
Income from continuing operations	\$ 4,452	\$ 5,576	\$ 3,049
Income (loss) from discontinued operations	—	426	(93)
<i>Total net income</i>	\$ 4,452	\$ 6,002	\$ 2,956
Net profit margin⁽¹⁾	2.4%	3.2%	2.0%
Earnings (losses) attributable to common stocks			
\$1-2/3 par value			
Continuing operations	\$ 3,957	\$ 5,592	\$ 2,914
Discontinued operations	—	426	(93)
Earnings attributable to \$1-2/3 par value	\$ 3,957	\$ 6,018	\$ 2,821
Earnings (losses) attributable to Class H	\$ 385	\$ (96)	\$ 72
Diluted earnings (losses) per share attributable to common stocks			
\$1-2/3 par value			
Continuing operations	\$ 6.68	\$ 8.53	\$ 4.32
Discontinued operations	—	0.65	(0.14)
Earnings per share attributable to \$1-2/3 par value	\$ 6.68	\$ 9.18	\$ 4.18
Earnings (losses) per share attributable to Class H ⁽²⁾	\$ 0.55	\$ (0.26)	\$ 0.23
Book value per share of common stocks			
\$1-2/3 par value	\$ 39.36	\$ 27.02	\$ 20.00
Class H ⁽²⁾	\$ 7.87	\$ 5.40	\$ 4.00
Number of common stock shares issued as of December 31 (in millions)			
\$1-2/3 par value	548	619	655
Class H ⁽²⁾	875	411	318

(1) Net profit margin represents income from continuing operations as a percentage of net sales and revenues.

(2) Amounts for 1999 and 1998 adjusted to reflect the three-for-one stock split of the GM Class H common stock, in the form of a 200% stock dividend, paid on June 30, 2000.

Net sales and revenues were a record \$184.6 billion, up 4.6%.



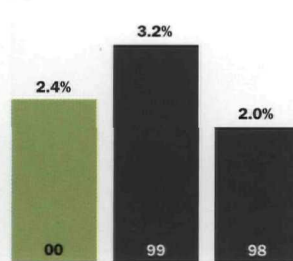
Net Sales and Revenues
in billions of dollars

Net income from continuing operations was \$4.5 billion, down \$1.1 billion.



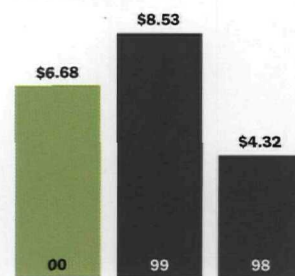
Net Income
in billions of dollars

Net profit margin from continuing operations was 2.4%, down from 3.2%.



Net Profit Margin
percent

Annual earnings per share from continuing operations decreased to \$6.68 from \$8.53.



Diluted Earnings per Share
dollars



Dear *Stockholders*

Big and fast will win.

That's become something of a mantra at General Motors. But what exactly does it mean?

It means we will produce winning results by using GM's global footprint and expertise to embrace speed, flexibility, creativity, and innovation. Everything we do will focus on delighting our customers with great products and services.

This report will give you a sense of how we're accelerating the pace of change here at GM, to take advantage of the many opportunities and challenges that GM is poised to seize.

So fasten your seatbelt. We're shifting into high gear.

The Year Past

2000 was a year of fierce competition and rapid change in the global auto industry, factors that have become constants of our business at the dawn of the 21st century. GM had its share of achievements, as well as a few disappointments.

Global revenues reached a record \$185 billion. Excluding special items, earnings were the second-highest in the company's history at \$8.58 per common share. That was down from the record \$8.62 in 1999, but still solid given the price pressures in our largest markets around the world.

GM North America earned \$4.4 billion, excluding special items, on the strength of record industry sales in the United States of 17.8 million units – a level that seemed improbable just a few years ago. GM posted gains in several key U.S. market segments, including midsize cars, midsize SUVs, and large SUVs.

GMAC had record earnings for the second consecutive year, totaling \$1.6 billion and marking the sixth straight year of earnings growth.

In other measures, however, we fell short.

GM Europe and Asia Pacific posted unacceptable losses for the year. Overall U.S. market share fell one percentage point to 27.8 percent, while GM's global share declined half a point to 15.1 percent. Make no mistake; we do not accept GM's continued share decline, and we are moving aggressively to reverse the trend. In 2001, GM will accelerate our focus on turning our underperforming regions profitable, growing our global share, and improving the financial measures by which we are judged.

Tough Calls

As the North American market weakened in the fourth quarter, we decided that we had to make some tough calls. The decision to phase out the Oldsmobile brand, reached after intensive study and continued efforts to revitalize the brand, was among the most painful. It was especially difficult and emotional news for our loyal Olds customers and dedicated Olds dealers, many of whom have been proudly affiliated with the brand for generations. But in the long-term interest of our company, we felt it necessary to focus our engineering, marketing, and sales resources on our other brands with stronger prospects for growth.

We also decided to reduce salaried headcount in North America and Europe by 10 percent over the next year, and to close one of our two assembly plants in Luton, England, in 2002. These decisions represent a continuation of GM's recent restructuring actions, including the recent convergence of our North American car and truck groups, which follows the realignment of our sales and service organization. All these actions are improving our cost structure and helping GM run more efficiently.

Cultural and Business Priorities

These initiatives and actions, like everything we do at GM today, are guided by four cultural priorities that describe the way we want to do business in this new century. At today's GM we:

- **Act as one company** – putting aside our history of internal competition and leveraging the tremendous global capabilities across our organization.
- **Embrace stretch targets** – setting aside our tradition of conservative goal-setting, and striving to achieve the best we can.
- **Move with a sense of urgency** – working to accelerate everything we do, and using speed as a competitive advantage.
- **Enhance our product and customer focus** – building long-term relationships with our customers by providing great products and services, and keeping a keen external focus in all our activities.

These are the essential elements of GM's performance-driven culture, the qualities that produce measurable progress against our four current business priorities:

1. Innovative Products and Services

GM built our reputation and unrivaled 70 years of leadership in the global auto industry on innovation. So providing innovative products and services is not a new priority for GM, it's a *renewed* priority. We're more focused on it than ever.

- In North America, we introduced eight all-new models in 2000, with plans to introduce nearly 40 more between 2001 and 2003. Fully half will either redefine an existing segment or create an entirely new one. That's innovation.
- For 2001, we plan to introduce 11 new vehicles, including the Chevy Avalanche, the Buick Rendezvous, and a new small sport utility, the Saturn VUE, as well as all-new versions of our popular GMC, Chevy, and Oldsmobile midsize SUVs.
- In Europe, the all-new Opel/Vauxhall Agila, Opel/Vauxhall Astra Coupe and Cabrio, and Opel Speedster/Vauxhall VX220 are launching our brands into new segments, while the new Opel Corsa has proven highly popular. The category-defining Opel/Vauxhall Zafira van, launched in 1999, continues to remake the marketplace.
- In China, Shanghai-GM recently introduced the Buick Sail, the country's first well-equipped, popularly priced compact car.
- In Brazil, our new Chevrolet Celta small car is the industry's global leader in Internet sales. Since its launch in September 2000, approximately 17,000 Celtas have been sold via the Internet – nearly 60 percent of total sales.
- GM also remains the clear in-vehicle communications leader. Our unique OnStar communication system is now in more than 1 million GM vehicles, and we expect that number to grow to 4 million by the end of 2003. Toyota's Lexus division is partnering with OnStar this year to provide safety, security, and information services in select models, and Honda's Acura will offer OnStar in 2002.

2. e-Business Leadership

The Internet has forced every company to rethink the way it conducts its business. At GM, we're doing more than rethink – we're thinking ahead, harnessing the speed and power of the Internet to save time and money and better serve our customers.

- Covisint, the industry's on-line purchasing exchange, began operation in 2000 and promises to be the world's largest Internet marketplace. GM, Ford, and DaimlerChrysler came together to form the exchange, and Renault-Nissan joined soon afterward.
 - GM BuyPower, with operations in 10 countries, became the most frequently viewed automotive Web site in the world in 2000. By the end of 2001, it will be expanded to 45 countries.
 - GM joined with DaimlerChrysler and the United Auto Workers to offer our employees in North America low-cost access to the Internet at home through America Online and Hughes DIRECTV. We will also team with Workscape Inc. to offer unique Internet portals to give employees access to corporate information at home and on the road.
- And we see many more opportunities to use the Internet to improve our traditional businesses, and create new ones.



Jack Smith, Rick Wagoner, Harry Pearce (left to right),
with GMC's Envoy.

3. Asia-Pacific Growth and Proactive Participation in Industry Consolidation

To take a more active role in the world's growth markets, particularly Asia-Pacific, we grew our network of alliances in 2000.

- We took a 20 percent equity stake in Fuji Heavy Industries, maker of Subaru vehicles, completing the alliance we announced in December 1999.
- We increased our equity holding in Suzuki to 20 percent and took full ownership of Saab, after increasing our equity in Isuzu to 49 percent in 1999.
- We established a strategic industrial alliance with Fiat, with GM taking a 20 percent interest in Fiat Auto, and Fiat S.p.A. taking a 5 percent stake in GM.

Our new partnership with Fiat resulted in joint ventures for purchasing and powertrains that will create value for both companies, through material cost reductions, economies of scale, greater efficiency in financial service operations, and cross-sharing of automotive technologies.

Our California Design Studio made efficient use of the outstanding performance and packaging qualities of Subaru's proven all-wheel-drive system and "boxer" engine by incorporating them into the design of the Chevy Borrego concept vehicle.

The GM-Suzuki alliance announced plans to produce the Chevrolet YGM-1 in Japan starting in fall 2001 – the first GM vehicle to be produced in Japan since 1939.

Our Isuzu-GM joint venture in Ohio began producing the widely praised Duramax diesel engine for GM's new heavy-duty pickups. The Chevy Silverado HD, available with the Duramax, captured *Motor Trend's* 2001 "Truck of the Year" award.

Among our non-equity partnerships, GM and Toyota collaborated on development of the new Pontiac Vibe, a "crossover" vehicle that will be built at the GM-Toyota NUMMI joint venture plant in Fremont, California. The Vibe and the Saturn VUE are the first of seven innovative new vehicles GM plans to introduce over the next few years to strengthen our position in the North American entry-level market.

4. Excellent Business Results

This last business priority appears obvious enough, but it is on our short list because we are conscious that GM will earn our grades every day based on clearly measurable business results in our core car-and-truck business, and in the corporation as a whole. The right strategies and plans mean nothing if they do not translate into sales, profitability, return on net assets, market share, and stockholder value. Nobody gets excited about plans to yield results in three or four years. We are striving for excellent results today. When we get them, we earn the right to execute our future business plans and strategies.

The Road Ahead

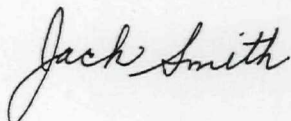
2000 also marked the beginning of a growing recognition that GM is returning to its roots with a strong commitment to innovation in products and services, to leadership in design, technology, and everything we do. In essence, building cars and trucks with styling and features that truly excite our customers – that make them say, "Wow!"

Automotive enthusiasts said just that when we announced in August that GM would produce the stunning Chevrolet SSR, an innovative roadster/pickup that evokes the strong American heritage of Chevy. Days later, we announced our plans to produce the cutting-edge Cadillac luxury roadster, based on the widely acclaimed Evoq concept.

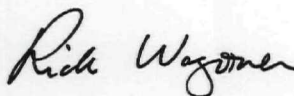
In its February issue, *Automobile* magazine ran a cover story on GM's 2001 concept cars under the headline, "Resurgin' General: GM Design Gets its Groove Back." The writer concluded that story by declaring, "GM is not just on the way back, it's here."

We couldn't agree more. But keep your seatbelt fastened.

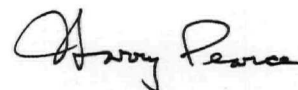
We've only just begun.



John F. Smith, Jr.
Chairman



G. Richard Wagoner, Jr.
President and Chief Executive Officer



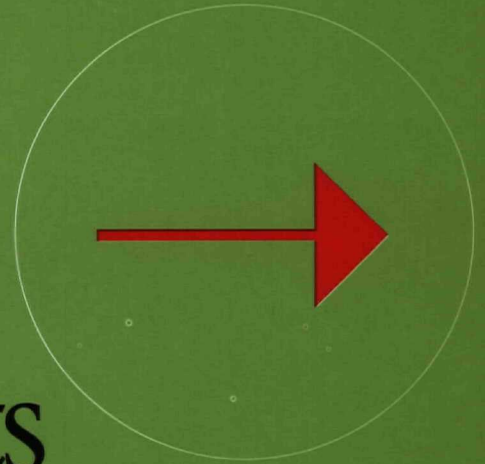
Harry J. Pearce
Vice Chairman

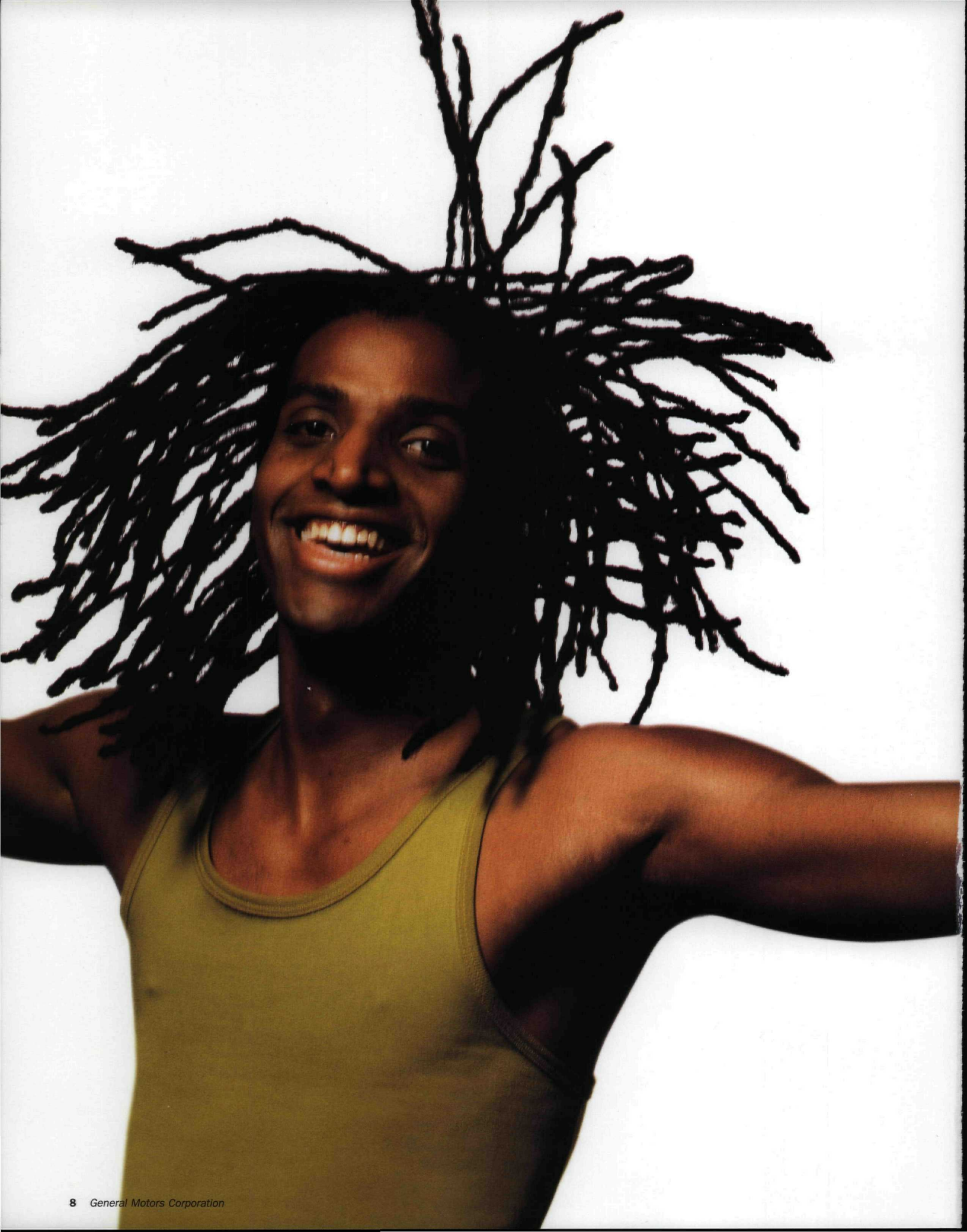
March 1, 2001

Big and Fast.

General Motors enters
the 21st century pre-
pared for unlimited
opportunity.

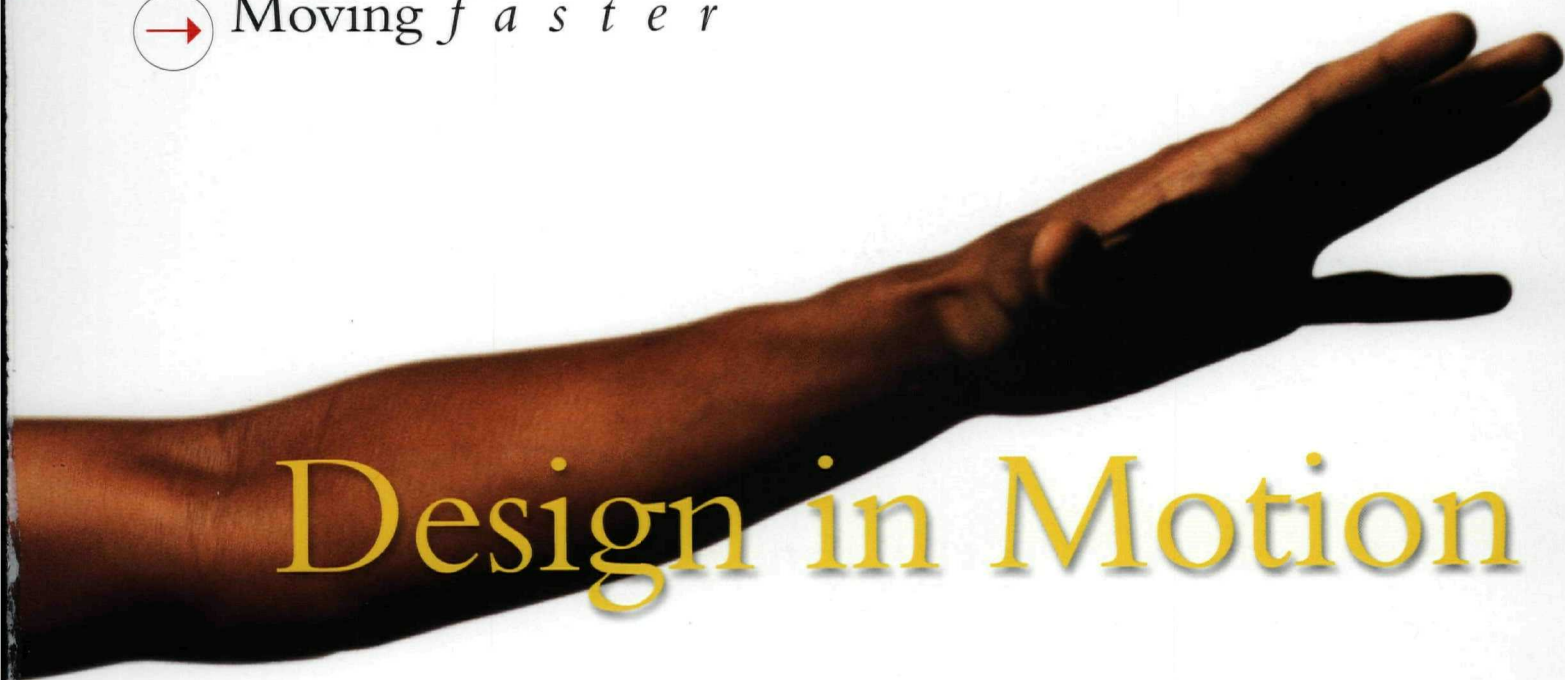
New Economy
dynamism meets
a tradition of global
innovation.







→ Moving *f a s t e r*



Design in Motion

The SSR is the latest in a long line of great Chevrolets. The distinctive cross-bar and full fender forms display the brand's heritage. That legacy beats beneath the sheet metal, too, in the strong powertrain and many innovations that make the SSR Pure Chevrolet.





The future is here.

Coming in 2002 to your local Chevy dealer, the SSR is just one example of how we are capturing quicksilver imagination and turning it into sheet metal. Working from a disciplined sense of the Chevrolet brand character and a new boldness throughout GM, the SSR program team is exploring a new product niche that falls right in line with Chevy's spirited heritage.

For some the SSR is a roadster; for others, a truck.

For GM, it is foremost a new way of doing things - working fast with instinct and intelligence to bring the SSR concept to reality, with all of the quality and functionality that customers expect of a modern automobile.

First shown at the North American International Auto Show in January 2000, we announced SSR production in August, and laid down an implicit challenge to the development and manufacturing teams: Deliver the same vehicle that sparked the public's imagination. All of GM is striving to meet that commitment. We understand the necessity for GM to produce innovative, exciting, high-quality automobiles. And we're having a good time doing it.

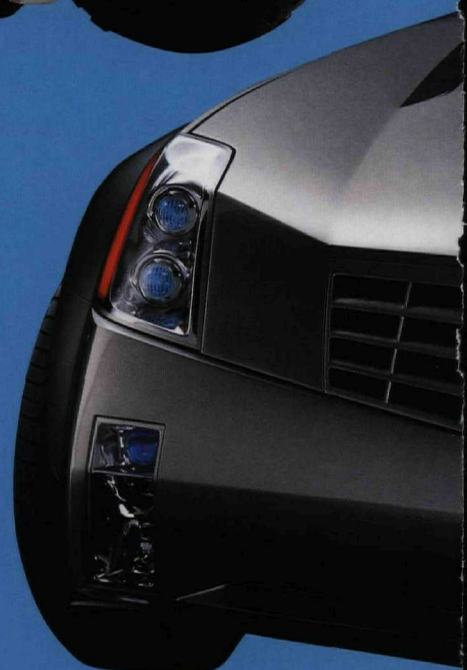




State-of-the-art navigation, communication, powertrain, chassis, and versatility features give the HUMMER H2 unmatched capability. But what's really new are the many luxury and design advances incorporated into a maneuverable package, making the H2 a unique and desirable SUV.



HUMMER is the king of SUVs and one of the most recognizable vehicles in the world. The HUMMER H2 concept (above) is the first disciple of the legendary original. GM surprised everyone with the H2 Concept Vehicle at the 2000 North American International Auto Show, just days after acquiring the HUMMER marketing rights. While it is smaller and more refined than the original model, the H2 makes no compromises in off-road capability, versatility, and visual impact. Plans to expand the HUMMER brand gelled fast when we announced production for 2002. In the summer of 2000, we broke ground on the H2 production facility in Mishawaka, Indiana.





The luxury roadster bristles with exclusive Cadillac technology. The Northstar V8 powers the rear wheels via an aft-mounted five-speed automatic transmission with manual mode, working in concert with advanced chassis innovations such as active suspension damping and StabiliTrak yaw control to deliver responsive handling and excellent ride quality. The driver environment features Night Vision and handsome Bulgari instrumentation.

With production announced for 2003, the Cadillac luxury roadster delivers on the promise set by the Evoq roadster concept. By wrapping expressive design around ingenious technology, the luxury roadster defines Cadillac's vision of "Art and Science." Grand Touring performance is assured by integrating the next-generation Northstar System into a world-class chassis. The luxurious cockpit can be opened to the wind or closed tight beneath the electronically retractable hardtop.

Cadillac earned its reputation as the Standard of the World at the dawn of the automotive age. The luxury roadster confirms our intent to reclaim that legacy as Cadillac enters its second century.



Design is in the details.



→ Moving *f a s t e r*



A hand in a dark red sleeve reaches out from the bottom left towards a large, dark blue and black swirling sphere that occupies the upper left portion of the frame. The sphere has a glowing, ethereal quality with some lighter blue highlights. The background is a plain, bright white.

A New Spin

Capitalizing on Brazil's rapid embrace of the Internet and growing demand for affordable cars, GM is revolutionizing the way vehicles are manufactured and purchased. Customers can shop for, configure, and order a Chevrolet Celta on-line directly from GM. Celta cyber-buyers choose their options, arrange financing, and reserve their car with a credit card or bank transfer. The click of a button triggers a process that coordinates the plant, distribution center, and dealer network. Five distribution centers will ensure that customers will take delivery within one week.

The Celta is assembled at the state-of-the-art Gravatai Automotive Complex, which functions on a highly efficient new manufacturing model. On-site suppliers deliver co-developed modules just in time to the precise production line location. There are 60% fewer suppliers and 50% fewer parts to handle than in a traditional assembly plant.

Brazil's Chevrolet dealers provide the crucial interface between e-business and real-life customer satisfaction by focusing on delivery, service, and accessorizing each Celta to the owner's specific tastes.

CELTA

Para adquirir uma Celta, basta ir ao site www.gm.com.br/Celta/ e clicar em "Comprar".

O Celta é o primeiro projeto em que a General Motors, a GM do Brasil e a GM da América Latina trabalham juntos para desenvolver um novo conceito de carro. O Celta é o primeiro projeto em que a General Motors, a GM do Brasil e a GM da América Latina trabalham juntos para desenvolver um novo conceito de carro.

Um carro pensado em todos os aspectos, desde o design até a tecnologia. O Celta é o primeiro projeto em que a General Motors, a GM do Brasil e a GM da América Latina trabalham juntos para desenvolver um novo conceito de carro.

Apresentamos o Celta, o primeiro projeto em que a General Motors, a GM do Brasil e a GM da América Latina trabalham juntos para desenvolver um novo conceito de carro.

Para saber mais sobre o Celta, visite o site www.gm.com.br/Celta/.

GM do Brasil 2000 - Todos os direitos reservados à General Motors do Brasil Ltda.



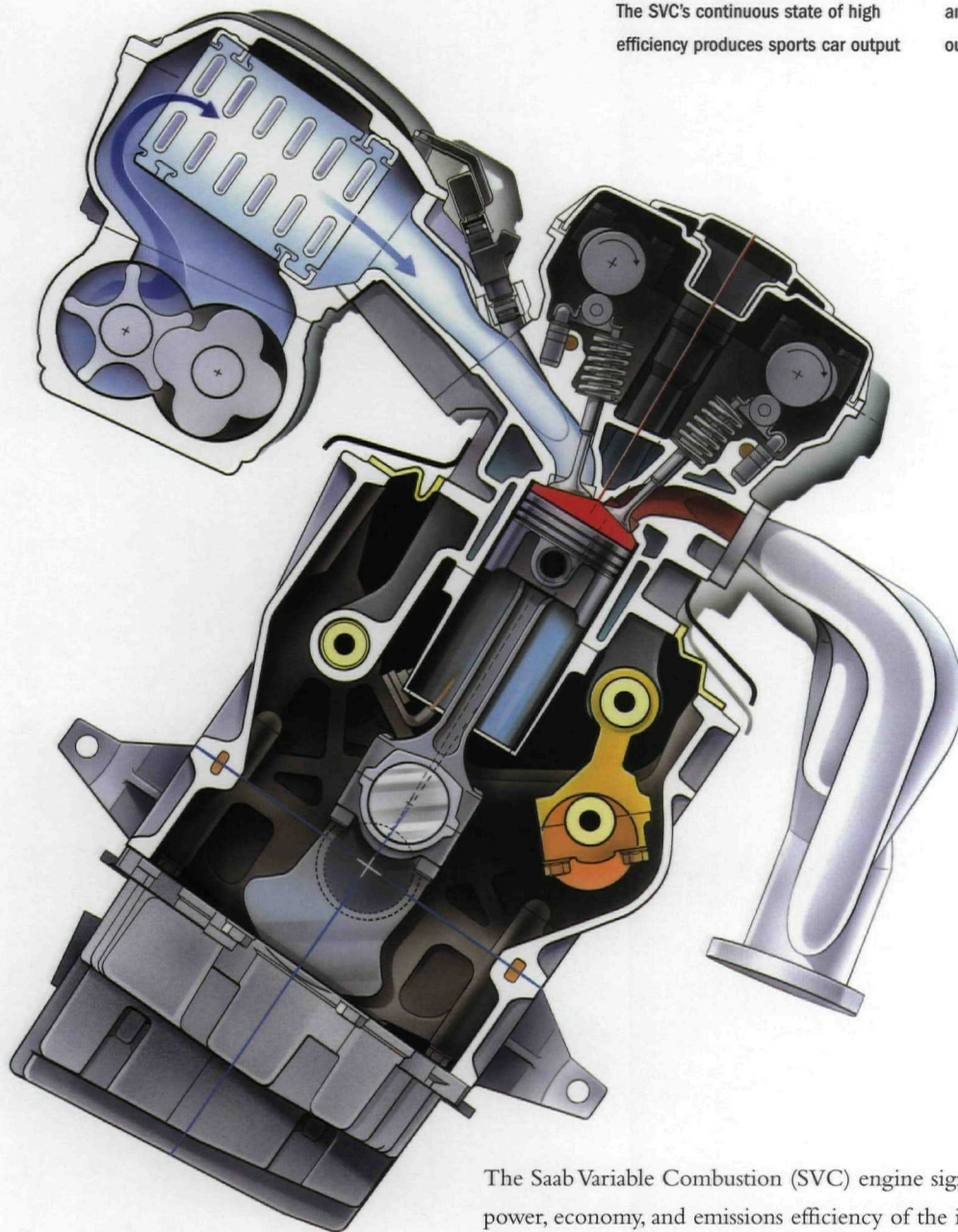
Since www.celta.com.br was launched in September as the world's first high-volume automotive Internet sales system, nearly 60% of all Celtas sold have been purchased over the Internet. Almost 17,000 customers have

shopped for their car, configured it, selected financing, and reserved the vehicle from the comfort of their own home, or from Celta kiosks in dealer showrooms.

→ Brazil launches the Celta.



→ SVC proves *less is more.*



Adjusting the angle of the Saab Variable Compression engine's integrated monohead in relation to the crankcase varies the compression ratio to optimize engine efficiency according to moment-to-moment load changes. The SVC's continuous state of high efficiency produces sports car output

with economy car fuel consumption and corresponding low emissions. Saab's unique global brand reputation for innovation, safety, performance, and engineering led GM in 2000 to purchase the remaining 50% of Saab and cast it as a central element to our global growth strategy.

The Saab Variable Combustion (SVC) engine significantly increases the power, economy, and emissions efficiency of the internal combustion engine. Transcending the traditional engine's "compression compromise," the SVC inline five-cylinder engine pivots as two pieces, allowing instantaneous adjustment of the compression ratio. This flexibility keeps the SVC operating at its peak whether crawling through town or charging along an interstate. Advanced engine management technology adds supercharger boost to produce the power of a high-performance three-litre engine while consuming the same amount of fuel as an economical 1.6-litre. The SVC is just one example of how our global network is adding to GM's long history of engine innovations.

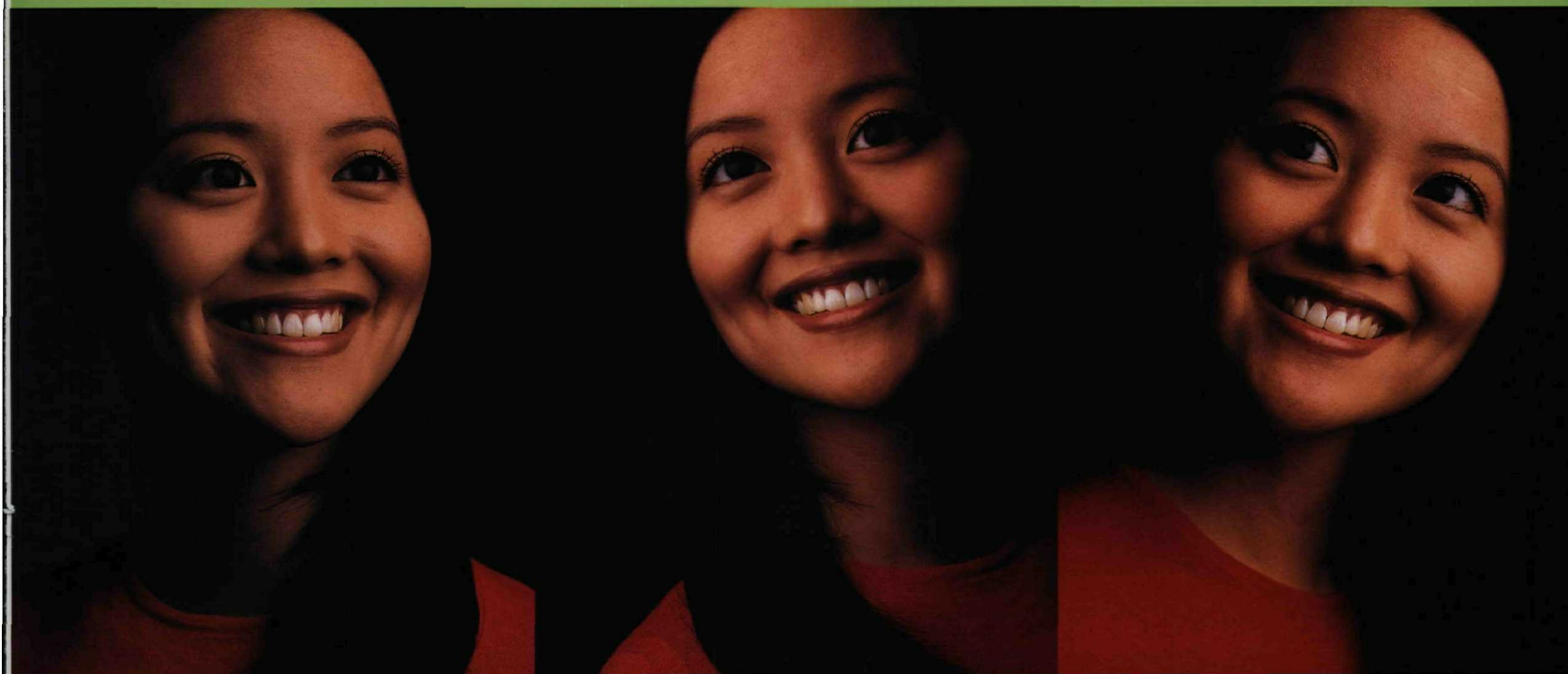


SAAB

General Motors is first in China with a high-quality, affordable, locally built compact sedan. Starting with the award-winning Opel Corsa as a base, and working together with GM do Brasil engineers and designers and the Pan Asia Technical Automotive Center joint venture, Shanghai-GM (SGM), our joint venture with Shanghai Automobile Industry Corporation, created the Buick Sail. Uniquely tailored to meet China's varied driving

conditions, and featuring many first-in-class features such as dual air bags, anti-lock brakes, and power windows, the Sail booked 15,000 preproduction orders in just six weeks, leading SGM to expand its sales and service network to meet demand.

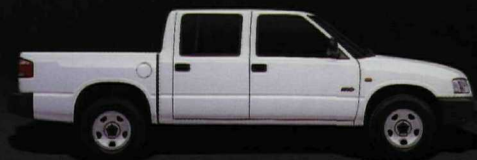
To further broaden GM's presence in China as a full-line auto manufacturer, our Jinbei-GM joint venture built its first Chevrolet Blazer in 2000.



Buick GS



Buick Sail



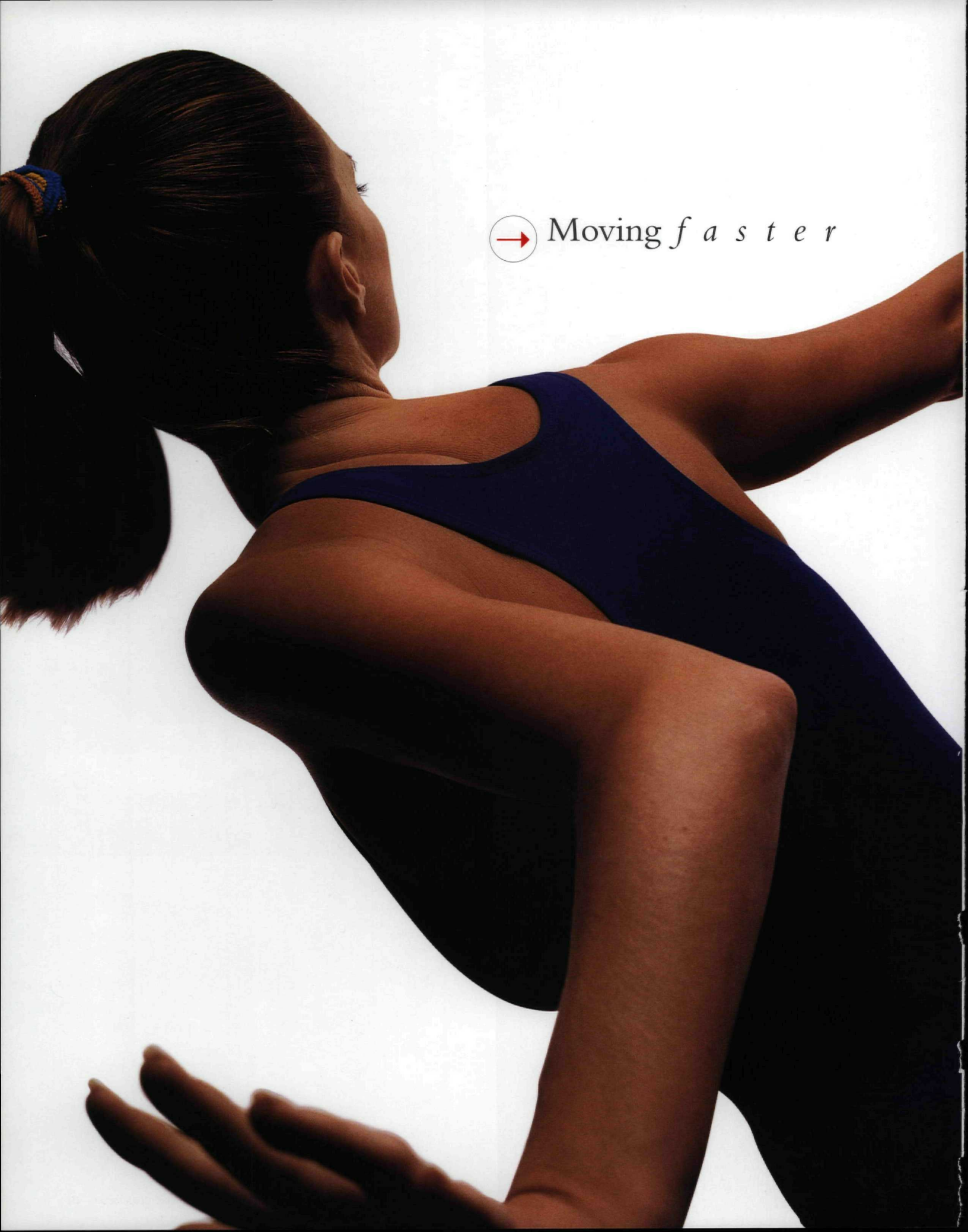
Chevy S-10 Crew Cab



China opens to opportunity.



In 2000, General Motors sold more than 29,600 Buick Regal-based sedans and minivans in China, a 50% increase. In addition to expanding sales, GM is earning an important place in China's growing automotive industry through development, manufacturing, distribution, training, and educational partnerships and programs.



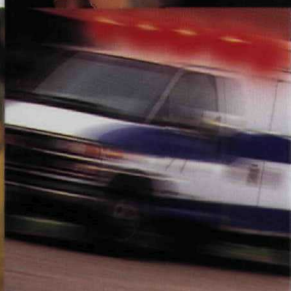
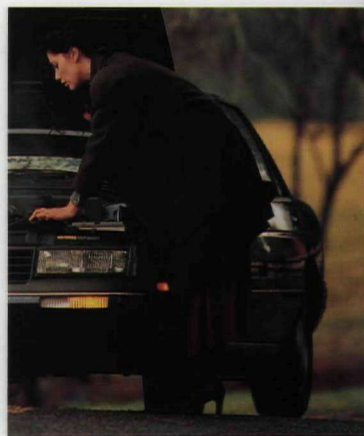
Moving *f a s t e r*



Pushing Technology



Advanced technologies *hands-free*.




OnStar leads the in-vehicle technology revolution with voice-activated safety, security, and information services. The touch of a button links a vehicle's occupants to an OnStar advisor who can locate the nearest gas station or hotel and provide driving directions or roadside assistance. Locked out? Call OnStar by phone to unlock the vehicle doors. And in the event of an accident serious enough to deploy an air bag, OnStar can automatically contact emergency services. OnStar's newest services will include hands-free, voice-activated telephone calling and Internet access, with e-mail, stock quotes, sports reports, news, traffic, and weather, all delivered through the sound system.

While some in-vehicle information systems rely on an in-dash computer screen and a bank of controls, OnStar minimizes driver distraction by delivering hands-free, voice-activated information. GM's commitment to safety is designed into OnStar, so that drivers can keep their hands on the wheel and their eyes on the road.



More than one million vehicles are equipped with OnStar, which is offered on 32 GM models. Advisors are available 24 hours a day, 365 days a year with access to more than 400 categories of information. OnStar subscriptions increased by more than 700% in 2000. Recognizing a good thing, Lexus and Acura have partnered with GM to offer safety, security, and information services as LexusLink on 2001 Lexus models, and OnStar on select 2002 Acuras.

An aerial night photograph of New York City, showing a dense grid of illuminated buildings and streets. A red circle is drawn over a specific intersection in the upper-middle part of the image. A white crosshair is centered on the same point, with one line extending horizontally and the other vertically across the entire image. In the bottom left corner, a portion of a green street sign is visible, showing the number '3' and the letters 'CH'.

Being lost in New York City is no problem if you have OnStar. An advisor can pinpoint your location and quickly guide you to your destination. With more than 7,000 New York City hotel and restaurant listings, complete with driving directions and reservation assistance, you'll always get there with OnStar.



Argentina, Nederland, Korea, France, Mexico, Norge, United States, Taiwan, Italia, Canada, Brasil, United Kingdom



Online buying *worldwide.*



With over 6,500 participating dealers and over one million vehicles available online, GM BuyPower contributed to over 400,000 U.S. sales in 2000, including 66,000 conquest sales from competitors' brands. By the end of 2001, BuyPower or equivalent GM Web sites will be deployed in 45 countries.

With millions of visits per month, and a growing role in vehicle sales and improved customer satisfaction, GM BuyPower and associated brand sites display GM's commitment to becoming the global leader in automotive e-business.

Today, 80% of all vehicle purchases are influenced by the Internet. Its effect will multiply as today's Web-savvy kids grow to driving age. General Motors leads in making the most of technology today and will be even further ahead tomorrow. From the beginning of our supply chain, throughout our engineering community, within our manufacturing plants, and across our dealer network, GM is putting information technology to work to change the way cars and trucks are conceived, built, and sold.

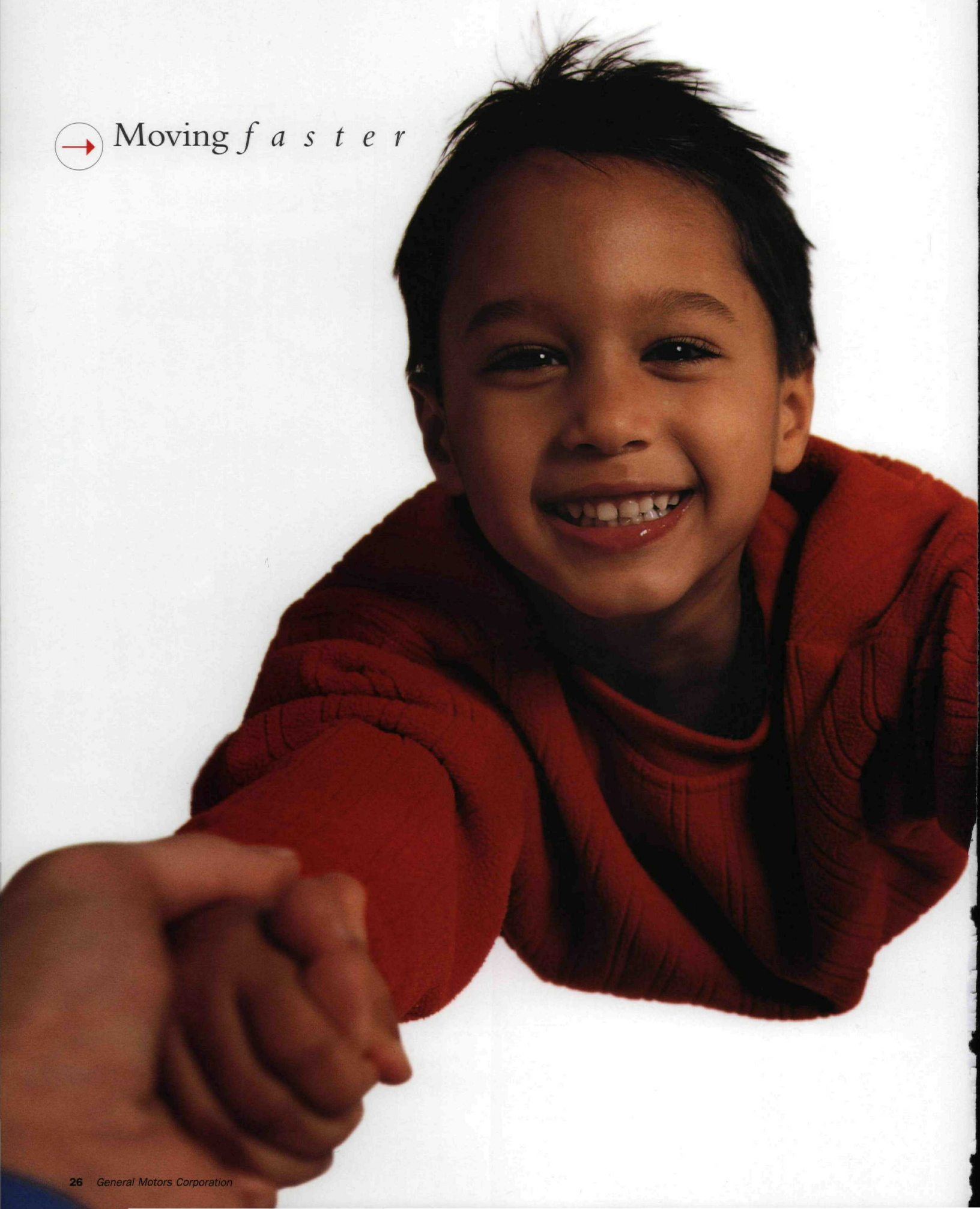
Dreams can come true. General Motors' HydroGen1 fuel cell vehicle is bringing the once futuristic hope of clean, self-sustaining transportation to reality. Developed by GM's Global Alternative Propulsion Center, and based on Opel's Zafira compact van, the HydroGen1 converts pure hydrogen to electric power, emitting only water vapor. With a top speed of nearly 90 mph, a range of approximately 250 miles, and the ability to generate energy even from a frozen state, HydroGen1 is closing the gap on many of the real-life requirements that have limited fuel cell application in automobiles. GM has produced many of the key developments in automotive fuel cells, starting with the demonstration of the first operational fuel cell vehicle in 1966.



Tomorrow's car today.



→ Moving *f a s t e r*



Growing Partners



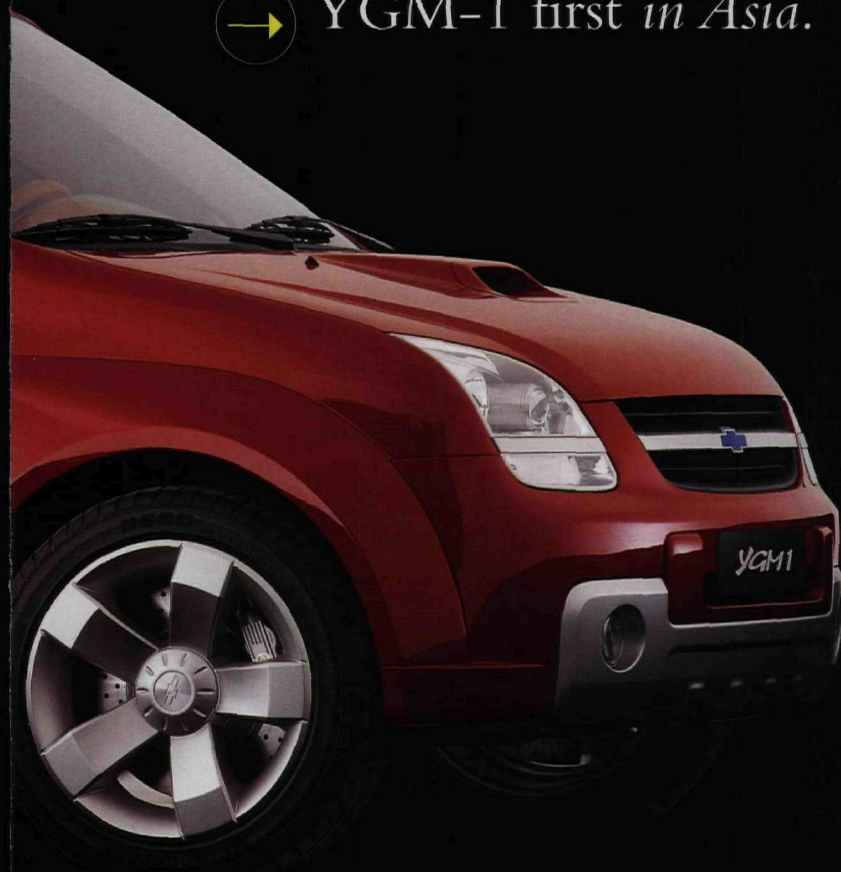


Suzuki Motor Corporation is an innovator in high-performance small engines and vehicles. Its diverse product portfolio includes automobiles, motorcycles, All-Terrain Vehicles, personal watercraft, and small outboard engines.





→ YGM-1 first in Asia.



Partnering for immediate opportunity is what GM's alliance network is about. The YGM-1 concept combines General Motors' Asian market experience with alliance partner Suzuki's small-car leadership to produce a vehicle that is right for the times in a fast-growing region. As the first GM product designed and developed in Asia for that region's consumption, YGM-1 is based on a flexible architecture engineered to provide maximum value throughout a region known for extreme variations. YGM-1 can be configured to meet infrastructure, geography, and regulatory requirements that can vary greatly from country to country, along with customer expectations based on economic and cultural diversity.



The return of Alfa Romeo, one of the world's great sporting marques, to the U.S. market is under study by Fiat and GM to assure lasting success based on effective distribution, marketing, and product plans.

We expanded the General Motors alliance network by acquiring 20% stakes in two of the world's most respected auto manufacturers, Fiat Auto and Fuji Heavy Industries, owner of the Subaru brand. GM and its alliance partners gain from sharing our combined worldwide purchasing power, technology portfolio, engineering developments, and distribution networks while retaining control of our individual businesses, brands, and cultures. We also gain through broader market access and an expanded product portfolio.

Combining the strength of two of the largest full-line auto-makers, GM and Fiat S.p.A. have created two 50-50 operational joint ventures. One will produce in excess of five million engines and transmissions annually, while the other will source up to \$32 billion in materials.

Considered one of Japan's premium brands, Subaru will expand its market power throughout the Asia-Pacific region by adding its current products to the GM AutoWorld retail and service network lineup that also includes Chevrolet, Opel, Isuzu, Cadillac, Saab, and Suzuki.

Subaru's proven all-wheel-drive system and compact engine are key features of the Chevy Borrego "sports adventure vehicle" concept. The sharing of world-class components and technologies among the alliance network will minimize time to market and development expense of future products.

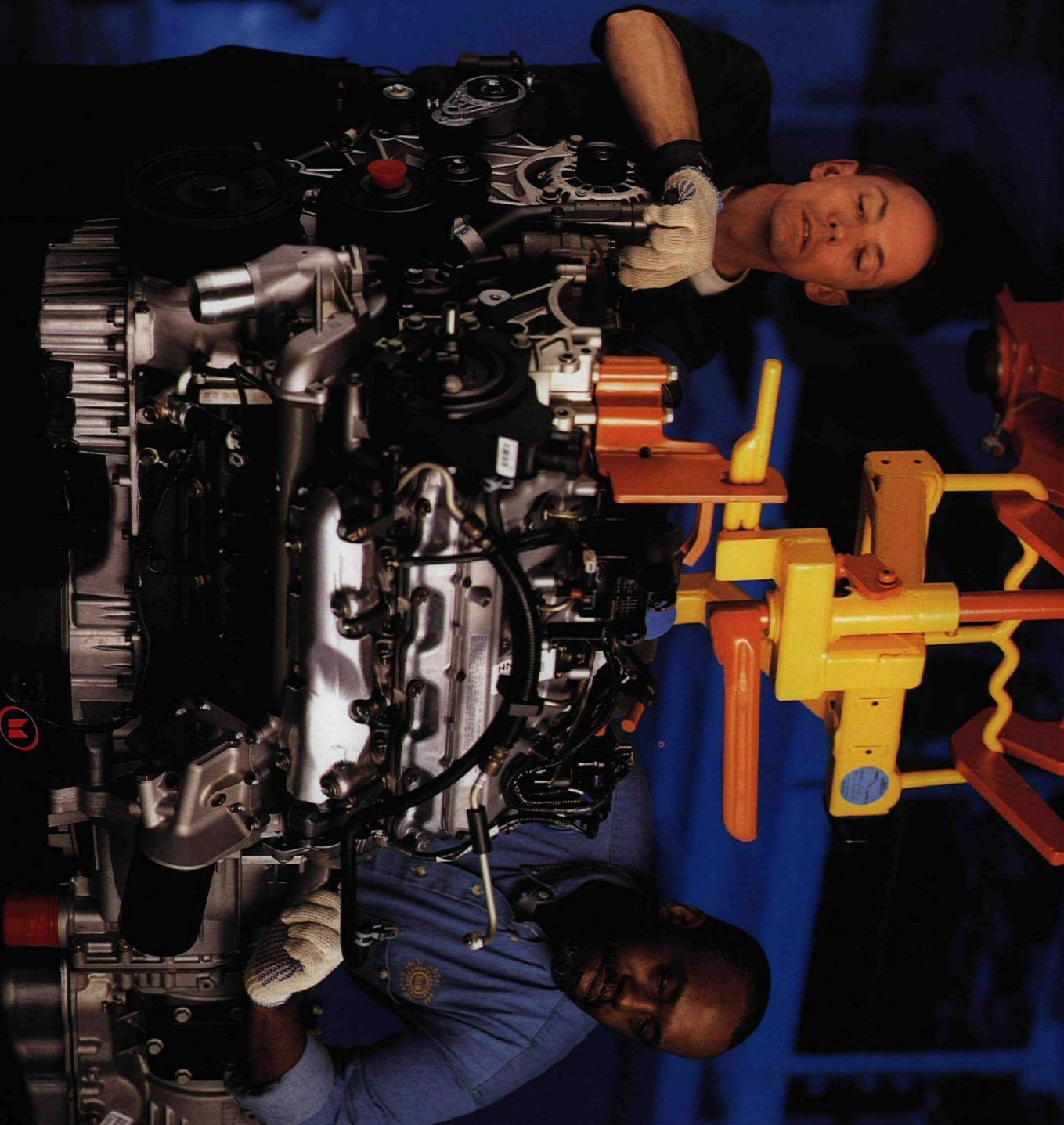


GM reaches the world.



 **SUBARU**





— Making the *connection*.



The Duramax Diesel 6600 V8 engine is the latest fruit of the alliance between GM and Isuzu Motor Corporation that began in 1971. The Duramax combines Isuzu's diesel leadership with GM's engine performance management expertise to establish a new diesel standard in the light truck market.

Recognized as one of *Ward's Automotive Reports'* "10 Best Engines," the Duramax leads its class in power but is as smooth and quiet as a gasoline engine. Mated to a six-speed manual transmission or an Allison five-speed automatic, Duramax-powered GMC and Chevy trucks out-*everything* the competition. The result? The 2001 Chevy Silverado HD captured *Motor Trend* magazine's "Truck of the Year" award and thousands of delighted customers.

Flint Truck Assembly Plant (Michigan)
employees Gary L. Seymour and
Michael E. Williamson prepare a
Duramax Diesel 6600 for installation
into a Heavy Duty series pickup.



↑ Moving faster



Beyond Automotive



FOR SALE

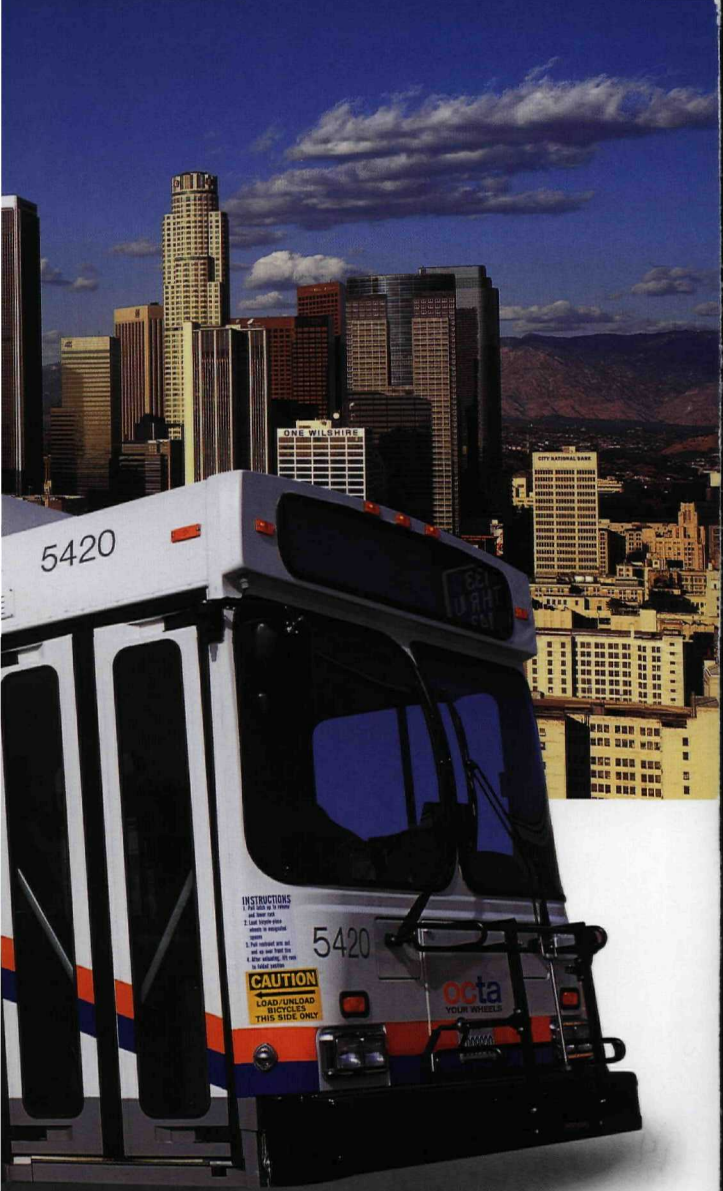
SOLD

HOME BUILDERS INC
282-2222

GMAC
Real Estate



→ Solutions keep *life* go



transmission Division is leading the way to cleaner air
hybrid propulsion systems for heavy-duty vehicles. Allison
Drives maximize the efficiencies of diesel and electric
to deliver a range of benefits today. Buses powered by
E^S System series hybrid technology entered revenue
in Southern California in 2000, with other deliveries
planned for 2001 and beyond. By reducing fuel
consumption by 50%, and emitting 90% less particulates and
nitrogen oxide (NOx) than a standard diesel-powered
E^S System is helping to reduce pollution in Southern
California.

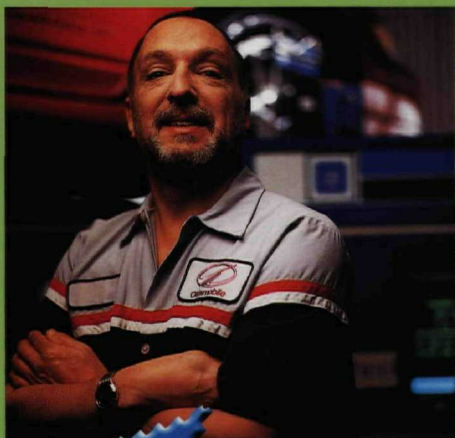
Allison also launched its E^P System, one of the first "road-
parallel hybrid systems, offering dramatically reduced
emissions and improved fuel economy to a broader class of
commercial transit and trucking applications. These hybrid sys-
tems continue Allison's tradition of innovation as the world's
leading supplier of automatic transmissions for commercial and
heavy-duty vehicles.

Customer passion and loyalty are invaluable assets to any business, and GM's Service Parts Operations (SPO) nurtures them *after* the vehicle sale. Owners of the more than 120 million GM vehicles worldwide trust Genuine GM Parts and GM-branded service – Goodwrench Service Plus in North America and MasterFit in the United Kingdom – to keep their cars and trucks in perfect running order. GM-branded accessories, performance parts, and vintage components help enthusiasts personalize and update their pride and joy. Owners of the 600 million *non*-GM vehicles around the world get the same quality assurance from ACDelco's All Makes/All Models line of aftermarket parts.

SPO's rigorous engineering processes, state-of-the-art warehousing, and efficient distribution ensure that GM owners and dealers get the right part at the right time at the right price.

gmgoodwrench.com

→ Right part, time, and price.



Larry J. Homberger of Suburban
Cadillac-Olds-Buick in Troy, Michigan

General Motors is the world's largest automotive corporation. Our core activities are the design and manufacture of cars and trucks for sale in 200 countries through four regional automotive divisions: GM North America (GMNA), GM Europe (GME), GM Asia Pacific (GMAP), and GM Latin America, Africa, and Mid-East (GMLAAM). GM is also a leader in a variety of industries that support our automotive sales and apply our expertise to the transportation, finance, and enter-

GM North America (GMNA)	GM Europe (GME)	GM Latin America, Africa, Mid-East (GMLAAM)	GM Asia Pacific (GMAP)	GMAC Financial Services (GMAP)
<p>Business Description</p> <ul style="list-style-type: none"> • Designs, manufactures, and markets vehicles for the U.S., Canadian, Mexican, Central American, Puerto Rican, and Caribbean markets, as well as world-wide exports; provides aftermarket products and services • Brands: Buick, Cadillac, Chevrolet, GMC, HUMMER, Oldsmobile, Pontiac, Saab, Saturn • Market share: 27.7% (U.S. 27.8%, Canada 29.9%, Mexico 24.4%) • 212,000 employees • Headquarters: Detroit, Michigan, USA <p>2000 Accomplishments</p> <ul style="list-style-type: none"> • Led North American industry with sales of 5,775,000 vehicles • Launched eight new models • Launched seven new engines/transmissions • Improved dealer relations in North American Dealers Association Dealer Attitude survey by 1.6 points • Improved manufacturing productivity more than 8% • Implemented Quality As A Value (QAV) initiative to eliminate systemic bottlenecks with UAW help • Converged North American car and truck engineering and manufacturing organizations <p>2001 Opportunities</p> <ul style="list-style-type: none"> • Launch 11 new products • Launch five new engines and transmissions • Improve quality through major initiatives launched in 2000 • Focus planning and product development and manufacturing organization • Initiate focused cost-reduction initiatives 	<p>Business Description</p> <ul style="list-style-type: none"> • Designs, manufactures, and markets vehicles for the European market • Brands: Opel, Vauxhall, Saab, Cadillac, Chevrolet • Market share: 9.3% • 88,500 employees • Headquarters: Zurich, Switzerland <p>2000 Accomplishments</p> <ul style="list-style-type: none"> • Formed strategic partnership with Fiat Auto • Launched Opel Coupe, Agila, Corsa, Speedster, and Vivaro • Improved durability and reliability • Began selling Vauxhall vehicles via the Internet • Launched Global GM BuyPower • Introduced new engine concept: Saab Combustion Control (SCC), Zafira HydroGen1 Fuel Cell, new "Easytronic" shifting system <p>2001 Opportunities</p> <ul style="list-style-type: none"> • Invest 2.4 billion DM in Opel for new products and plant modernization • Launch new Astra Cabrio • Expand commercial vehicle portfolio • Add new OnStar services • Increase diesel capacity; reduce production restrictions for Corsa, Zafira, and Agila • Continue to focus on quality • Sharpen the Opel brand image with attractive niche models 	<p>Business Description</p> <ul style="list-style-type: none"> • Manufactures and markets vehicles for the Latin American, African, and Middle Eastern markets • Brands: Cadillac, Chevrolet, GMC, Isuzu, Opel, Saab • Market share: 16.3% • 24,000 employees (with JVs) • Headquarters: Miramar, Florida, USA <p>2000 Accomplishments</p> <ul style="list-style-type: none"> • Inaugurated Gravatai Automotive Industrial Complex in Brazil; headquarters, truck assembly plant, distribution center, and technical center in Chile; paint shop in Venezuela • Launched first high-volume direct Internet automotive sales model in Brazil, and GM BuyPower in Chile and Argentina • Maintained #1 rank in region • Increased sales in Middle East by more than 50% • Formed strategic alliance with Fiat Auto in Brazil • Launched five domestically produced vehicles in four countries <p>2001 Opportunities</p> <ul style="list-style-type: none"> • Focus on continuing improved profitability, market share, and quality levels • Continue plant modernization and integration in preparation for new product introductions • Continue capitalizing on alliance relationships to expand business potential • Launch South American version of Zafira, redesigned S-10/Blazer • Roll out GM BuyPower throughout region • Expand engineering capability for new products 	<p>Business Description</p> <ul style="list-style-type: none"> • Designs, manufactures, and markets vehicles for the Asia-Pacific market and export to other regions • Brands: Holden, Isuzu, Opel, Chevrolet, Buick, Cadillac, Saab, Saturn • Market share: 3.7% (GM brands and Isuzu) • 11,000 employees • Headquarters: Ngee Ann City, Singapore <p>2000 Accomplishments</p> <ul style="list-style-type: none"> • Began Opel Corsa production by GM India • Began Opel Zafira regional and export production at new Rayong, Thailand, plant • Achieved record production and exports for Holden • Launched the Buick Sail at Shanghai-GM • Launched the Chevrolet MW1, GM's first Japan-made mini-wagon • Launched Chevy Blazer production at Jinbei-GM <p>2001 Opportunities</p> <ul style="list-style-type: none"> • Establish GM in Korea • Sell 30,000 Buick Sails in China • Launch production of the GM Japan Chevrolet 4x4 in September • Produce 60,000 Zafiras for export to four continents • Launch GM BuyPower in China 	<p>Business Description</p> <ul style="list-style-type: none"> • Provides automotive financing for dealers and consumers; insurance for dealers; home, vehicle, and mechanical protection coverage for consumers; residential mortgages, including real estate and relocation services; commercial mortgages; and commercial financing • Market share: Almost 44% of all GM vehicles bought or leased are financed through GMAC • 29,000 employees; a presence in 40 countries • Headquarters: Detroit, Michigan, USA <p>2000 Accomplishments</p> <ul style="list-style-type: none"> • Launched SmartAuction on-line dealer marketplace • Acquired U.K. used vehicle retailer Carland; entered Slovenian and Croatian markets • Became industry leader in residential and commercial on-line mortgage originations • Doubled size of factoring business via Commercial Finance acquisitions of Finova and Banc of America factoring operations <p>2001 Opportunities</p> <ul style="list-style-type: none"> • Triple SmartAuction on-line sales • Inaugurate on-line consumer auto insurance purchasing system • Build an equipment finance franchise and maintain an industry leadership position in providing receivable financing through various B2B purchasing exchanges • Expand global presence, especially in Asia-Pacific, through new opportunities, joint ventures, and consolidations • Grow residential and commercial platforms on a worldwide basis

tainment industries. GMAC finances automobiles, homes, and businesses. Hughes Electronics provides satellite entertainment and communications. Allison Transmission produces commercial-duty automatic transmissions and hybrid powertrains. GM Locomotive produces rail locomotives and military vehicles. Service Parts Operations sells original equipment and aftermarket auto parts. OnStar is the leading provider of in-vehicle telematics services.

Hughes Electronics Corporation	Allison Transmission Division ¹	GM Locomotive Group (GMLG) ¹	GM Service Parts Operations ²	OnStar ²
<p>Business Description</p> <ul style="list-style-type: none"> Provides digital television entertainment, satellite services, and satellite-based private business networks Hughes comprises DIRECTV U.S., DIRECTV Latin America, PanAmSat Corporation, and Hughes Network Systems (HNS) 8,500 employees Headquarters: El Segundo, California, USA <p>2000 Accomplishments</p> <ul style="list-style-type: none"> Acquired a record 1.8 million new DIRECTV customers in the U.S. and 500,000 new customers in Latin America Completed the conversion of 1.5 million PRIMESTAR by DIRECTV customers to DIRECTV service and closed the PRIMESTAR business six months ahead of schedule PanAmSat won key contracts from Walt Disney Co., Lifetime Entertainment Services, HNS, and Viacom PanAmSat launched four new satellites HNS shipped more than 3 million DIRECTV receiver systems HNS signed agreements with DIRECTV, Earthlink, Juno, and Pegasus allowing HNS to offer DirecPC <p>2001 Opportunities</p> <ul style="list-style-type: none"> Increase customer base Generate additional DIRECTV by offering innovative services Provide bundled video/broadband services in the U.S. through DIRECTV, Telocity, and DirecPC Expand PanAmSat's new NET-36 service Increase number of broadband DirecPC subscribers 	<p>Business Description</p> <ul style="list-style-type: none"> Products: Automatic transmissions for trucks, buses, off-highway, and military vehicles; hybrid electric powertrains for commercial buses and trucks Market share: 80% of all medium- and heavy-duty commercial automatic transmissions produced and sold worldwide 4,260 employees Headquarters: Indianapolis, Indiana, USA <p>2000 Accomplishments</p> <ul style="list-style-type: none"> Achieved record unit shipments Achieved planned capacity increases Successfully entered light-duty truck market Opened new facilities in Maryland, Indiana, and Szentgotthárd, Hungary Announced Allison Electric Drives™ E^P System™, a first-of-its kind parallel commercial hybrid powertrain Awarded 11 patents <p>2001 Opportunities</p> <ul style="list-style-type: none"> Increase global sales in established and emerging markets Increase sales in commercial medium- and heavy-duty truck, bus, off-highway, and military and light commercial truck markets Expand market for hybrid products 	<p>Business Description</p> <ul style="list-style-type: none"> GM Locomotive Group comprises Electro-Motive and GM Defense Electro-Motive: <ul style="list-style-type: none"> Produces diesel-electric locomotives, medium-speed diesel engines, and locomotive components Market share: 47% 3,500 employees Central Operations: LaGrange, Illinois, USA GM Defense: <ul style="list-style-type: none"> Produces light armored military vehicles and turret systems Employees: 1,850 Central Operations: London, Ontario, Canada <p>2000 Accomplishments</p> <ul style="list-style-type: none"> Electro-Motive: <ul style="list-style-type: none"> Shipped 285 SD70M units to Union Pacific Exceeded Continuous Improvement Plan savings by more than 50% GM Defense: <ul style="list-style-type: none"> Received largest order in GM Defense history Nearly doubled RONA and net income targets <p>2001 Opportunities</p> <ul style="list-style-type: none"> Electro-Motive: <ul style="list-style-type: none"> Implement focused cost-reduction initiatives Achieve ISO 14001 registration GM Defense: <ul style="list-style-type: none"> Ramp up production/delivery of U.S. Army Brigade Combat Team Units Introduce three new vehicle products 	<p>Business Description</p> <ul style="list-style-type: none"> Markets automotive parts and accessories and various forms of automotive service merchandising, under the GM, Goodwrench, and ACDelco brands Largest competitor in the automotive aftermarket 12,000 employees worldwide Headquarters: Grand Blanc, Michigan, USA <p>2000 Accomplishments</p> <ul style="list-style-type: none"> Achieved record revenues and profits for second consecutive year Launched OEConnection, a B2B parts and service portal for dealers and their customers Opened 41 ACDelco Service Centers in Latin America and the Asia-Pacific region Opened five new parts distribution centers in the U.S. Launched dealer-owned GM Goodwrench Mobile Service Vans, providing vehicle owners light maintenance at their homes or places of work <p>2001 Opportunities</p> <ul style="list-style-type: none"> Significant growth in GM Accessories revenues Launch of EPIC and WISE, Web-based information tools linking ACDelco, its on-line distributors, and the independent service shops they support Launch of Goodwrench Tire Program at GM dealers Open two new parts distribution centers in the U.S. Integrate aftermarket activities with GM Alliance partners 	<p>Business Description</p> <ul style="list-style-type: none"> Provides in-vehicle safety, security, and information services through wireless communication and Global Positioning System (GPS) satellite technology for the U.S. and Canadian markets 300 employees Headquarters: Troy, Michigan, USA <p>2000 Accomplishments</p> <ul style="list-style-type: none"> Reached one million OnStar installations Opened additional 24-hour OnStar center in North Carolina Launched Personal Calling and Virtual Advisor Reached business agreements with Lexus and Acura Increased subscriber base to 750,000 <p>2001 Opportunities</p> <ul style="list-style-type: none"> Continue to increase subscriber base Expand Calling and Virtual Advisor nationally Expand suite of services offered through Virtual Advisor Launch XM Satellite Radio service with 100 digital-quality channels transmitting original programming coast-to-coast Broaden OnStar availability to additional OEMs

1 Allison Transmission Division and GM Locomotive Group are part of the Other segment. Employee head count and financial data for these units are included in the Other segment results as presented in the MD&A and notes to the GM consolidated financial statements.

2 GM Service Parts Operations and OnStar are part of the GMNA segment. Employee head count and financial data for these units are included in GMNA's results as presented in the MD&A and notes to the GM consolidated financial statements.

Management's Discussion and Analysis of Financial Condition and Results of Operations

The following management's discussion and analysis of financial condition and results of operations (MD&A) should be read in conjunction with the Hughes Electronics Corporation (Hughes) consolidated financial statements and MD&A for the period ended December 31, 2000, included as Exhibit 99 to the GM Annual Report on Form 10-K for the period ended December 31, 2000, and related Hughes Annual Report on Form 10-K filed separately with the Securities and Exchange Commission (SEC); and the General Motors Acceptance Corporation (GMAC) Annual Report on Form 10-K for the period ended December 31, 2000, filed separately with the SEC. All earnings per share amounts included in the MD&A are reported as diluted.

GM presents separate financial information for the following businesses: Automotive, Communications Services, and Other Operations and Financing and Insurance Operations.

GM's reportable operating segments within its Automotive, Communications Services, and Other Operations business consist of:

- GM Automotive (GMA), which is comprised of four regions: GM North America (GMNA), GM Europe (GME), GM Latin America/Africa/Mid-East (GMLAAM), and GM Asia Pacific (GMAP);
- Hughes, which includes activities relating to digital entertainment, information and communications services, and satellite-based private business networks; and
- Other, which includes the design, manufacturing and marketing of locomotives and heavy-duty transmissions, the elimination of intersegment transactions, certain non-segment specific revenues and expenditures, and certain corporate activities.

GM's reportable operating segments within its Financing and Insurance Operations business consist of GMAC and Other Financing, which includes financing entities operating in the U.S., Canada, Brazil, Germany, Sweden, and Mexico that are not associated with GMAC.

The disaggregated financial results for GMA have been prepared using a management approach, which is consistent with the basis and manner in which GM management internally disaggregates financial information for the purpose of assisting in making internal operating decisions. In this regard, certain common expenses were allocated among regions less precisely than would be required for stand-alone financial information prepared in accordance with accounting principles generally accepted in the U.S. (GAAP) and certain expenses (primarily certain U.S. taxes related to non-U.S. operations) were included in the Automotive, Communications Services, and Other Operations' Other segment. The financial results represent the historical information used by management for internal decision making purposes; therefore, other data prepared to represent the way in which the business will operate in the future, or data prepared on a GAAP basis, may be materially different.

Results of Operations

For the year ended December 31, 2000, income from continuing operations for the Corporation was \$4.5 billion, or \$6.68 per share of GM \$1-2/3 par value common stock, compared with \$5.6 billion

and \$3.0 billion, or \$8.53 and \$4.32 per share of GM \$1-2/3 par value common stock, for 1999 and 1998, respectively. Income from continuing operations includes the special items on an after-tax basis outlined below:

(Dollars in millions, except per share amounts) Years ended December 31,

2000

	Income	Phase-out of Oldsmobile	Post Employment Benefits	Capacity Reduction	Satellite Businesses	Adjusted Income
GM Automotive						
GMNA	\$3,174	\$ (939)	\$ (294)	\$ -	\$ -	\$4,407
GME	(676)	-	-	(419)	-	(257)
GMLAAM	26	-	-	-	-	26
GMAP	(233)	-	-	-	-	(233)
Total GMA	2,291	(939)	(294)	(419)	-	3,943
Hughes	829	-	-	-	1,132	(303)
Other Automotive	(281)	-	-	-	-	(281)
GMAC	1,602	-	-	-	-	1,602
Other Financing	11	-	-	-	-	11
Total GM	\$4,452	\$ (939)	\$ (294)	\$ (419)	\$1,132	\$4,972
Earnings Per Share	\$ 6.68	\$(1.59)	\$(0.50)	\$(0.71)	\$ 0.90	\$ 8.58

1999

	Income	Post Employment Benefits	Hourly Retiree Benefits	Termination Benefits	Wireless Business	Adjusted Income
GM Automotive						
GMNA	\$4,857	\$ 553	\$ (257)	\$ (39)	\$ -	\$4,600
GME	423	-	-	-	-	423
GMLAAM	(81)	-	-	-	-	(81)
GMAP	(218)	-	-	-	-	(218)
Total GMA	4,981	553	(257)	(39)	-	4,724
Hughes	(270)	-	-	-	(165)	(105)
Other Automotive	(669)	-	(151)	(35)	-	(483)
GMAC	1,527	-	-	(16)	-	1,543
Other Financing	7	-	-	-	-	7
Total GM	\$5,576	\$ 553	\$ (408)	\$ (90)	\$ (165)	\$5,686
Earnings Per Share	\$ 8.53	\$0.84	\$(0.62)	\$(0.14)	\$(0.17)	\$ 8.62

1998

	Income	Asset Impairments	Work Schedule Modification	Termination Benefits	Adjusted Income
GM Automotive					
GMNA	\$1,633	\$ (38)	\$ -	\$ (42)	\$1,713
GME	419	-	(44)	-	463
GMLAAM	(175)	(30)	-	(21)	(124)
GMAP	(243)	(97)	-	-	(146)
Total GMA	1,634	(165)	(44)	(63)	1,906
Hughes	272	-	-	-	272
Other Automotive	(279)	-	-	-	(279)
GMAC	1,325	-	-	-	1,325
Other Financing	97	-	-	-	97
Total GM	\$3,049	\$ (165)	\$ (44)	\$ (63)	\$3,321
Earnings Per Share	\$ 4.32	\$(0.24)	\$(0.06)	\$(0.10)	\$ 4.72

Results of Operations (continued)

The phase-out of Oldsmobile at GMNA represents the costs associated with GM's decision in the fourth quarter of 2000 to phase-out the Oldsmobile division as the current model lineup product lifecycles come to an end, or when the models are no longer economically viable. Included in the \$939 million charge for the phase-out of Oldsmobile was \$356 million related to underperforming assets and \$583 million related to estimated future payments to dealers and others. Underperforming assets represent the write-down of impaired long-lived assets, principally tooling and equipment on operating leases, recorded pursuant to GM's policy for the evaluation of long-lived assets (see Note 2 to the GM consolidated financial statements). Estimated future payments to dealers and others represent transition assistance to be paid to Oldsmobile dealers and increased sales incentives on Oldsmobile vehicles in dealer inventory. The \$294 million charge for postemployment benefits at GMNA was attributable to postemployment costs for termination and other postemployment benefits associated with the four North American manufacturing facilities slated for conversion and capacity reduction (Oklahoma City, Oklahoma; Delta Engine, Lansing, Michigan; Spring Hill, Tennessee; and Wilmington, Delaware) (see Note 3 to the GM consolidated financial statements). This action will reduce production capacity by approximately 376,000 engines per year and 127,000 vehicles per year. The capacity reduction at GME represents the costs associated with the reduction in production capacity, including the restructuring of Vauxhall Motors Limited's manufacturing operations in the U.K. Included in the \$419 million charge for capacity reduction was \$231 million related to underperforming assets, \$80 million related to cancellation charges to be paid to suppliers

incurred as a result of certain GME restructuring actions, and \$108 million related to early retirements and other separation programs. The charge for these programs primarily relates to approximately 2,000 employees at the Luton assembly plant. This action will reduce production capacity by approximately 270,000 vehicles per year. GM's net of tax cash requirements relating to the GMNA and GME charges are expected to total approximately \$1.2 billion, with anticipated spending of approximately 90% through 2003. The \$1.1 billion gain at Hughes was attributable to the sale of its satellite systems manufacturing businesses to The Boeing Company for \$3.8 billion in cash.

In 1999, the \$553 million benefit for postemployment benefits was related to the reversal of a liability for benefits payable to excess U.S. hourly employees (see Note 3 to the GM consolidated financial statements). The \$408 million charge for hourly retiree benefits was related to the benefit increase granted to hourly retirees in connection with the 1999 United Auto Workers (UAW) agreement. The \$90 million charge for termination benefits was related to a U.S. salaried early retirement program (approximately 1,700 people elected participation in this program). The \$165 million charge for the Hughes Wireless business was related to Hughes' decision to discontinue certain of its wireless manufacturing operations at Hughes Network Systems.

In 1998, the \$165 million charge for impairment represents the write-down of impaired tooling and other property, plant, and equipment (see Note 2 to the GM consolidated financial statements). The \$44 million work schedule modification charge resulted from schedule modifications at Opel Belgium. The \$63 million termination benefits charge represents voluntary early retirement and other separation programs affecting approximately 4,450 employees.

Vehicle Unit Deliveries of Cars and Trucks – GMA

	Years ended December 31,								
	2000		GM as a % of Industry	1999		GM as a % of Industry	1998		GM as a % of Industry
(Units in thousands)	Industry	GM		Industry	GM		Industry	GM	
United States									
Cars	8,857	2,532	28.6%	8,700	2,591	29.8%	8,141	2,456	30.2%
Trucks	8,960	2,421	27.0%	8,718	2,426	27.8%	7,825	2,148	27.5%
Total United States	17,817	4,953	27.8%	17,418	5,017	28.8%	15,966	4,604	28.8%
Canada, Mexico, and Other	2,648	707	26.7%	2,562	683	26.7%	2,406	639	26.6%
Total GMNA	20,465	5,660	27.7%	19,980	5,700	28.5%	18,372	5,243	28.5%
GME	19,972	1,855	9.3%	20,219	1,970	9.7%	19,230	1,849	9.6%
GMLAAM	3,708	603	16.3%	3,353	536	16.0%	4,179	654	15.6%
GMAP	12,729	473	3.7%	12,030	468	3.9%	10,964	439	4.0%
Total Worldwide	56,874	8,591	15.1%	55,582	8,674	15.6%	52,745	8,185	15.5%

Results of Operations (continued)

Wholesale Sales

(Units in thousands)	Years ended December 31,		
	2000	1999	1998
GMNA			
Cars	2,933	2,992	2,731
Trucks	2,842	2,882	2,340
Total GMNA	5,775	5,874	5,071
GME			
Cars	1,744	1,824	1,764
Trucks	135	144	118
Total GME	1,879	1,968	1,882
GMLAAM			
Cars	438	350	404
Trucks	196	173	248
Total GMLAAM	634	523	652
GMAP			
Cars	175	162	202
Trucks	283	259	217
Total GMAP	458	421	419
Total Worldwide	8,746	8,786	8,024

GMA Financial Review

GMA's income and margin adjusted to exclude special items (adjusted income and margin) was \$3.9 billion and 2.7% for 2000, \$4.7 billion and 3.2% for 1999, and \$1.9 billion and 1.5% for 1998. The decrease in 2000 adjusted income and margin, compared with 1999, was primarily due to an increase in spending for product development activities, pricing pressures in North America and Europe, a decrease in wholesale sales volume, and unfavorable product mix, primarily in Europe. These unfavorable conditions were partially offset by cost structure improvements, primarily in North America.

The improvement in 1999 adjusted income and margin, compared with 1998, was primarily due to improvement in the profitability of new vehicles, higher production volumes at GMNA compared with the prior year when work stoppages at two component plants in Flint, Michigan, halted production of wholesale units at 26 of 29 assembly plants in North America, and lower material costs.

GMA's total net sales and revenues adjusted to exclude special items (adjusted total net sales and revenues) for 2000 were \$148.1 billion, which represented an increase of \$2.0 billion, compared with 1999. The increase in adjusted total net sales and revenues was largely due to growth initiatives, including OnStar and Service Parts Operations, which were partially offset by lower wholesale volumes, and unfavorable net price in North America and Europe. Net price comprehends the percent increase/(decrease) a customer pays in the current period for the same comparably equipped vehicle produced in the previous year's period. Adjusted total net sales and revenues for 1999 were \$146.1 billion, which represented an increase of \$17.0 billion compared with 1998. The increase was primarily due to increases in wholesale sales volumes as a result of the previously mentioned 1998 GMNA work stoppages.

GMNA's adjusted income was \$4.4 billion, \$4.6 billion, and \$1.7 billion for 2000, 1999, and 1998, respectively. The decrease in 2000 adjusted income from 1999 was primarily due to unfavorable net price and lower wholesale sales volumes. The decrease was partially offset by improvements in manufacturing costs due to performance efficiencies and material cost savings. Net price was unfavorable for 2000 at (0.7)% year-over-year.

The improvement in GMNA adjusted income for 1999, compared with 1998, was primarily due to the 1998 work stoppages, higher wholesale sales volumes, improvement in the cost and profitability of new vehicles, lower material costs, and reduced warranty expense resulting from improved quality. This improvement was partially offset by increased manufacturing costs, launch costs associated with the new LeSabre, Impala, Monte Carlo, Saturn LS, DeVille, Aurora, Tahoe, Suburban, Yukon, and Yukon XL models, as well as increased engineering costs for further innovation in GM's portfolio.

GME's adjusted loss was \$257 million for 2000, compared with adjusted income of \$423 million and \$463 million for 1999 and 1998, respectively. The decrease in GME's 2000 adjusted income from 1999 was due to the weakening of the European industry, a shift in sales mix from larger, more profitable vehicles to the smaller, less profitable entries, a continued increase in competitive pricing pressure, and a decrease in wholesale sales volume which was further impacted by the reduced availability of the new Corsa during the launch period. The decrease in GME's 1999 adjusted income from 1998 was primarily due to increased competitive pricing pressure and increased engineering expense associated with the model year 2000 mid-life cycle enhancements for the Vectra and Omega and the new model year 2001 Corsa. These decreases were partially offset by continued material cost improvements as a result of GM's global purchasing efforts, as well as improved manufacturing performance.

During September 2000, the European parliament passed a directive requiring member states to adopt legislation regarding end-of-life vehicles and the responsibility of manufacturers for dismantling and recycling vehicles they have sold. European Union member states are required to transform the concepts detailed in the directive into national law by March 2002. Under the directive, manufacturers are financially responsible for at least a portion of the cost of the take-back of vehicles put on the market as of July 2002 and all of the cost for all of the vehicles put on the market as of 2007. The laws developed in the individual local legislatures throughout Europe will have a significant impact on the amount ultimately paid by the manufacturers for this issue. GME is currently assessing the impact of this potential legislation on its results of operations and financial position.

GMLAAM's adjusted income was \$26 million for 2000, compared with adjusted losses of \$81 million and \$124 million for 1999 and 1998, respectively. The increase in 2000 adjusted income, compared with 1999, was primarily due to nominal price increases and an increase in wholesale sales volumes. This was partially offset by an increase in manufacturing costs and material costs. The decrease in 1999 adjusted loss, compared with 1998, was primarily due to nominal price increases and reduced structural costs (reducing employee and production costs), partially offset by lower industry volumes due to the economic crisis throughout Latin America, and increased material and freight costs driven by GM do Brasil's and its suppliers' exposure to hard currencies.

Results of Operations (concluded)

GMAP's adjusted loss was \$233 million for 2000, compared with adjusted losses of \$218 million and \$146 million for 1999 and 1998, respectively. The increase in 2000 adjusted loss, compared to 1999, was primarily due to increased equity losses at Isuzu which were partially offset by increased wholesale sales volumes. Increased adjusted losses for 1999, compared with 1998 were primarily due to start-up costs in the region and equity losses at Isuzu due to the economic downturn in Asia, partially offset by continued strong performance in Australia and earnings improvements at Shanghai GM.

GMA's effective income tax rate on an adjusted basis was 30.9%, 31.7%, and 34.7% for 2000, 1999, and 1998, respectively. GMA's effective income tax rate on a reported basis was 26.6%, 32.0%, and 34.8% for 2000, 1999, and 1998, respectively.

Hughes Financial Review

Total adjusted net sales and revenues increased to \$8.7 billion in 2000, compared with \$7.6 billion in 1999 and \$6.1 billion in 1998. The increase in adjusted net sales and revenues in 2000, compared with 1999 resulted from growth in the DIRECTV businesses from the addition of more than 2.0 million net new subscribers in the United States and Latin America since December 31, 1999. PanAmSat Corporation also contributed to the increase in adjusted net sales and revenues primarily due to increased revenues from outright sales and sales-type lease transactions executed during 2000. The increase in adjusted net sales and revenues from 1999, compared with 1998 resulted from the growth in the DIRECTV businesses due to the addition of slightly more than 1.7 million net new subscribers in the United States and Latin America since December 31, 1998, and added revenues from the acquisitions of PRIMESTAR and United States Satellite Broadcasting Company, Inc., in mid-1999. Also contributing to the growth of 1999 revenues were increased sales of DIRECTV receiver equipment and a \$155 million pre-tax gain that resulted from the settlement of a patent infringement case. The 1999 increase was partially offset by decreased revenues at the satellite systems manufacturing businesses, which was principally due to contract revenue adjustments and delayed revenue recognition that resulted from increased development costs and schedule delays on several new product lines, and decreased activity associated with a contract with ICO Global Communications.

Hughes' adjusted loss was \$303 million for 2000, compared with an adjusted loss of \$105 million in 1999 and adjusted income of \$272 million in 1998. The increase in 2000 adjusted loss, compared with 1999, was primarily due to higher marketing costs at the Direct-To-Home businesses, increased depreciation

and amortization expense due to 1999 acquisitions and additions to satellites and property, as well as increased interest expense as a result of increased average outstanding borrowings throughout the year. The adjusted loss in 1999, compared with adjusted income in 1998, was a result of an \$85 million decrease in interest income, a \$105 million increase in interest expense, increased subscriber acquisition costs, and higher depreciation and amortization that resulted from 1999 acquisitions.

Due to rapid consolidation in the media and telecommunications industries, GM is now considering alternative strategic transactions involving Hughes and other participants in those industries. Any such transaction might involve the separation of Hughes from GM. GM's objective in this effort is to maximize the enterprise value of Hughes for the long-term benefit of the holders of GM's Class H common stock and GM \$1-2/3 par value common stock through a structure that maintains the financial strength of GM. No assurance can be given that any transaction will be agreed upon with any party or that other conditions, including any stockholder or regulatory approvals will be satisfied.

GMAC Financial Review

GMAC's adjusted income was \$1.6 billion, \$1.5 billion, and \$1.3 billion in 2000, 1999, and 1998, respectively. Income from automotive and other financing operations totaled \$1.1 billion, \$1.1 billion, and \$1.0 billion in 2000, 1999, and 1998, respectively. In 2000, increased financing volumes and asset levels were offset by the negative impact from the higher level of market interest rates, compared with 1999. The increase in 1999 from 1998 was due to increased financing volumes and reduced credit losses, partially offset by a higher effective tax rate. Income from insurance operations totaled \$220 million, \$210 million, and \$226 million in 2000, 1999, and 1998, respectively. The increase in income from 1999 was primarily due to improved operating results and higher investment income and capital gains. The decrease in 1999 from 1998 was primarily attributable to pricing pressure in the personal lines insurance business. Income from mortgage operations totaled \$327 million, \$260 million, and \$115 million in 2000, 1999, and 1998, respectively. The strong year-over-year performance reflects the benefit of strong international growth, lower cost of servicing, and increased mortgage originations during the second half of 1999. The unusually low earnings in 1998 were largely due to reduced mortgage asset values from higher prepayment levels.

Financing revenue totaled \$15.5 billion in 2000, compared with \$13.8 billion and \$12.7 billion for 1999 and 1998, respectively. These increases were mainly due to higher average retail, wholesale, and commercial and other loan receivable balances.

Liquidity and Capital Resources

Automotive, Communications Services, and Other Operations

At December 31, 2000, cash, marketable securities, and \$3.0 billion of assets of the Voluntary Employees' Beneficiary Association (VEBA) trust invested in fixed-income securities totaled \$13.3 billion, compared with \$14.4 billion at December 31, 1999. The decrease from December 31, 1999 was primarily due to decreased operating cash flows, GM's purchase of a 20% equity interest in Fuji Heavy Industries Ltd. for approximately \$1.3 billion, a \$1.0 billion cash equity injection in GMAC, and stock repurchases. These items were partially offset by the net cash proceeds from the sale of the Hughes' satellite systems manufacturing businesses to The Boeing Company and improvements in managed working capital. Total assets in the VEBA trust used to pre-fund part of GM's other postretirement benefits liability approximated \$6.7 billion and \$6.3 billion at December 31, 2000 and 1999, respectively. GM previously indicated that it had a goal of maintaining \$13.0 billion of cash and marketable securities in order to continue funding product development programs throughout the next downturn in the business cycle. This \$13.0 billion target includes cash to pay certain costs that were pre-funded in part by VEBA contributions.

Net liquidity, calculated as cash and marketable securities less the total of loans payable and long-term debt, was \$662 million at December 31, 2000, a decrease of \$1.4 billion from the prior year.

Long-term debt was \$7.4 billion at December 31, 2000 and 1999, respectively. The ratio of long-term debt to long-term debt and GM's net assets of Automotive, Communications Services, and Other Operations was 30.8% and 42.3% at December 31, 2000 and 1999, respectively. The ratio of long-term debt and short-term loans payable to the total of this debt and GM's net assets of Automotive, Communications Services, and Other Operations was 36.6% and 48.2% at December 31, 2000 and 1999, respectively.

Financing and Insurance Operations

At December 31, 2000, GMAC owned assets and serviced automotive receivables totaling \$185.6 billion, compared with \$162.3 billion at December 31, 1999. Total consolidated assets of GMAC at December 31, 2000 were \$168.4 billion, compared with \$148.8 billion at December 31, 1999. The increase over year-end 1999 was primarily the result of higher serviced retail receivables, commercial and other loan receivables, serviced wholesale receivables, other assets, factored receivables, mortgage lending receivables, mortgage servicing rights, mortgage loans held for investment and due and deferred from receivable sales, and receivables due from Automotive, Communications Services, and Other Operations. These increases were partially offset by a decline in operating lease assets.

Consolidated automotive and commercial finance receivables serviced by GMAC, including sold receivables, totaled \$112.5 billion and \$97.0 billion at December 31, 2000 and 1999, respectively. This increase was primarily the result of a \$7.4 billion increase in serviced retail receivables, a \$4.9 billion increase in commercial and other loan receivables, and a \$4.4 billion increase in serviced wholesale receivables. Continued GM-sponsored retail financing incentives contributed to the rise in serviced retail receivables. The increase in commercial and other loan receivables was primarily attributable to increases in secured notes as well as continued growth at Commercial Credit LLC and GMAC Business Credit LLC. The growth at Commercial Credit LLC was partially attributable to the acquisitions of the factoring businesses of Finova Capital Corporation and Banc of America during the third and fourth quarters of 2000. The increase in serviced wholesale loan receivables was due to higher dealer inventory levels, as well as an increase in penetration.

GMAC's liquidity, as well as its ability to profit from ongoing acquisition activity, is in large part dependent on its timely access to capital and the costs associated with raising funds in different segments of the capital markets. In this regard, GMAC regularly accesses the short-term, medium-term, and long-term debt markets, principally through commercial paper, notes, and underwritten transactions.

At December 31, 2000, GMAC's total borrowings were \$133.4 billion, compared with \$121.2 billion at December 31, 1999. Approximately 81% of this debt represented funding for operations in the U.S. and the remaining 19% represented borrowings for operations in Canada (9%), the United Kingdom (3%), Germany (3%), and other countries (4%). GMAC's 2000 year-end ratio of total debt to total stockholder's equity was 9.5:1, compared with 10.9:1 at December 31, 1999. The higher year-to-year debt balances were principally used to fund increased asset levels. Total short-term debt outstanding at December 31, 2000 amounted to \$56.9 billion, compared with \$50.8 billion at December 31, 1999.

Book Value Per Share

Book value per share was determined based on the liquidation rights of the various classes of common stock. Book value per share of GM \$1-2/3 par value common stock increased to \$39.36 at December 31, 2000 from \$27.02 at December 31, 1999. Book value per share of GM Class H common stock, adjusted to reflect the GM Class H common stock split, increased to \$7.87 at December 31, 2000 from \$5.40 at December 31, 1999.

Return on Net Assets (RONA)

As part of its shareholder value initiatives, GM has adopted RONA as a performance measure to heighten management's focus on balance sheet investments and the return on those investments. GM's RONA calculation is based on principles established by management and approved by the GM Board. GM's four-quarter rolling-average RONA for continuing operations adjusted to exclude special items, excluding Hughes, was 11.1% and 13.8% as of December 31, 2000 and 1999, respectively.

Dividends

Dividends may be paid on common stocks only when, as, and if declared by the GM Board in its sole discretion. The amount available for the payment of dividends on each class of common stock will be reduced on occasion by dividends paid on that class and will be adjusted on occasion for changes to the amount of surplus attributed to the class resulting from the repurchase or issuance of shares of that class.

At December 31, 2000, the amount available for the payment of dividends on GM \$1-2/3 par value and GM Class H common stocks was \$9.8 billion and \$19.7 billion, respectively. GM's policy is to distribute dividends on its \$1-2/3 par value common stock based on the outlook and indicated capital needs of the business. Cash dividends per share of GM \$1-2/3 par value common stock were \$2.00 in 2000, 1999, and 1998. With respect to GM Class H common stock, the GM Board determined that it will not pay any cash dividends at this time in order to allow the earnings of Hughes to be retained for investment in its telecommunications and space businesses.

The dividends per share for the GM Series H 6.25% Automatically Convertible Preference Stock were \$35.1172 in 2000. The GM Board also paid dividends in 2000 on the Series D and Series G Depositary Shares of \$0.99 and \$2.28 per share, respectively. The Series D preference stock was redeemed on May 2, 2000, and as a result, the amount paid on that date to the Series D shareholders of record included accrued and unpaid dividends as part of the total redemption price.

Euro Conversion

On January 1, 1999, 11 of 15 member countries of the European Union established fixed conversion rates between their existing currencies and adopted the euro as their new common currency. The euro trades on currency exchanges and the legacy currencies remain legal tender in the participating countries for a transition period until January 1, 2002. Beginning on January 1, 2002, euro denominated bills and coins will be issued and legacy currencies will be withdrawn from circulation.

The Corporation has reviewed and has made required modifications to applicable information technology systems and contracts based on the new currency. At December 31, 2000, the conversion to the euro has not resulted, nor is the remaining transition expected to result in any material adverse impact on GM's financial position and results of operations.

Employment and Payrolls

	At December 31,		
Worldwide employment (in thousands)	2000	1999	1998 ⁽¹⁾
GMNA	212	217	226
GME	89	91 ⁽²⁾	94 ⁽²⁾
GMLAAM	24	23	24
GMAP	11	10	10
GMAC	29	27	24
Hughes	9	18	15
Other	12	12	13
Total employees	386	398	406
Worldwide payrolls – continuing operations (in billions) ⁽³⁾	\$ 21.6	\$ 21.8	\$ 20.4
U.S. hourly payrolls (in billions) ⁽⁴⁾	\$ 9.4	\$ 10.0	\$ 8.8
Average labor cost per active hour worked U.S. hourly	\$52.89	\$50.51	\$46.17

(1) Amounts have been adjusted to exclude Delphi employees.

(2) Amounts have been adjusted to include SAAB employees.

(3) Amounts have been adjusted to exclude Hughes' employees.

(4) Includes employees "at work" (excludes laid-off employees receiving benefits).

New Accounting Standards

In June 1998, the Financial Accounting Standards Board (FASB) issued Statement of Financial Accounting Standards (SFAS) No. 133, Accounting for Derivative Instruments and Hedging Activities. In June 2000, the FASB issued SFAS No. 138, which amended certain provisions of SFAS No. 133. GM adopted SFAS No. 133, as amended, on January 1, 2001. GM will record a one-time after-tax charge to income for the initial adoption of SFAS No. 133 totaling \$6 million, as well as an after-tax unrealized loss of \$77 million to other comprehensive income as of January 1, 2001. The outcome of pending issues at the FASB and the Derivatives Implementation Group could impact the amount of the cumulative transition adjustment presented herein.

In September 2000, the FASB issued SFAS No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities – a replacement of FASB Statement No. 125. This statement is effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001, and is effective for the recognition and reclassification of collateral and disclosures relating to securitization transactions and collateral for fiscal years ending after December 15, 2000. Management does not expect this statement to have a material impact on GM's results of operations and financial position.

Forward-Looking Statements

In this report, in reports subsequently filed by GM with the SEC on Forms 10-Q and 8-K, and in related comments by management of GM and Hughes, our use of the words "expect," "anticipate," "estimate," "forecast," "objective," "plan," "goal," and similar expressions is intended to identify forward-looking statements. While these statements represent our current judgment on what the future may hold, and we believe these judgments are reasonable, actual results may differ materially due to numerous important factors that are described below and other factors that may be described in subsequent reports which GM may file with the SEC on Forms 10-Q and 8-K:

- Changes in economic conditions, currency exchange rates, or political stability in the major markets where the Corporation procures material, components, and supplies for the production of its principal products or where its products are produced, distributed, or sold (i.e., North America, Europe, Latin America, and Asia Pacific).
- Shortages of fuel or interruptions in transportation systems, labor strikes, work stoppages, or other interruptions to or difficulties in the employment of labor in the major markets where the Corporation purchases material, components, and supplies for the production of its products or where its products are produced, distributed, or sold.
- Significant changes in the competitive environment in the major markets where the Corporation purchases material, components, and supplies for the production of its products or where its products are produced, distributed, or sold.
- Changes in the laws, regulations, policies, or other activities of governments, agencies, and similar organizations where such actions may affect the production, licensing, distribution, or sale of the Corporation's products, the cost thereof, or applicable tax rates.
- The ability of the Corporation to achieve reductions in cost and employment levels, to realize production efficiencies, and to implement capital expenditures, all at the levels and times planned by management.
- With respect to Hughes, additional risk factors include: economic conditions, product demand and market acceptance, government action, local political or economic developments in or affecting countries where Hughes has operations, ability to obtain export licenses, competition, ability to achieve cost reductions, technological risk, limitations on access to distribution channels, the success and timeliness of satellite launches, in-orbit performance of satellites, ability of customers to obtain financing, and Hughes' ability to access capital to maintain its financial flexibility. Additionally, the in-orbit satellites of Hughes

and its 81% owned subsidiary, PanAmSat Corporation, are subject to the risk of failing prematurely due to, among other things, mechanical failure, collision with objects in space, or an inability to maintain proper orbit. Satellites are subject to the risk of launch delay and failure, destruction and damage while on the ground or during launch, and failure to become fully operational once launched. Delays in the production or launch of a satellite, or the complete or partial loss of a satellite, in-orbit or during launch, could have a material adverse impact on the operation of Hughes' businesses. Hughes purchases in-orbit and launch insurance for its satellite fleet to mitigate the potential financial impact of in-orbit and launch failures. The insurance generally does not compensate for business interruption or loss of future revenues or customers. Certain of Hughes' insurance policies contain exclusions related to known anomalies and Hughes is self-insured for certain other satellites. Hughes has, in the past, experienced technical anomalies on some of its satellites. Service interruptions caused by these anomalies, depending on their severity, could result in claims by affected customers for termination of their transponder agreements, cancellation of other service contracts, or the loss of other customers.

Quantitative and Qualitative Disclosures About Market Risk

GM is exposed to market risk from changes in foreign currency exchange rates, interest rates, and certain commodity and equity security prices. GM enters into a variety of foreign exchange, interest rate, and commodity forward contracts and options, primarily to maintain the desired level of exposure arising from these risks. A risk management control system is utilized to monitor foreign exchange, interest rate, commodity and equity price risks, and related hedge positions.

A discussion of GM's accounting policies for derivative financial instruments is included in Note 1 to the GM consolidated financial statements. Further information on GM's exposure to market risk is included in Notes 19 and 20 to the GM consolidated financial statements.

The following analyses provide quantitative information regarding GM's exposure to foreign currency exchange rate risk, interest rate risk, and commodity and equity price risk. GM uses a model to evaluate the sensitivity of the fair value of financial instruments with exposure to market risk that assumes instantaneous, parallel shifts in exchange rates, interest rate yield curves, and commodity and equity prices. For options and instruments with non-linear returns, models appropriate to the instrument are utilized to determine the impact of market shifts. There are certain shortcomings inherent in the sensitivity analyses presented, primarily due to the assumption that exchange rates change in a parallel fashion and that interest rates change instantaneously. In addition, the analyses are unable to reflect the complex market reactions that normally would arise from the market shifts modeled.

Quantitative and Qualitative Disclosures About Market Risk
(concluded)

Foreign Exchange Rate Risk – GM has foreign currency exposures related to buying, selling, and financing in currencies other than the local currencies in which it operates. More specifically, GM is exposed to foreign currency risk related to the uncertainty to which future earnings or asset and liability values are exposed to as the result of operating cash flows and various financial instruments that are denominated in foreign currencies. At December 31, 2000 and 1999, the net fair value liability of financial instruments with exposure to foreign currency risk was approximately \$13.6 billion and \$11.2 billion, respectively. The potential loss in fair value for such financial instruments from a 10% adverse change in quoted foreign currency exchange rates would be approximately \$1.2 billion and \$1.0 billion for 2000 and 1999, respectively.

Interest Rate Risk – GM is subject to market risk from exposure to changes in interest rates due to its financing, investing, and cash management activities. More specifically, the Corporation is exposed to interest rate risk associated with long term debt and contracts to provide commercial and retail financing, retain mortgage servicing rights, and retain assets related to mortgage securitization. In addition, GM is exposed to prepayment risk associated with its capitalized mortgage servicing rights. This risk is managed with U.S. Treasury options and futures, which exposes GM to basis risk since the derivative instruments do not have identical characteristics to the underlying mortgage servicing rights. At December 31, 2000 and 1999, the net fair value liability of financial instruments held for purposes other than trading with exposure to interest rate risk was approximately \$18.1 billion and \$18.8 billion, respectively. The potential loss in fair value resulting from a 10% adverse shift in quoted interest rates would be approximately \$385 million and \$127 million for 2000 and 1999, respectively. At December 31, 2000 and 1999, the net fair value asset of financial instruments held for trading purposes with exposure to interest rate risk was approximately \$3.2 billion and \$2.7 billion, respectively. The potential loss in fair value resulting from a 10% adverse shift in quoted interest rates would be approximately \$217 million and \$39 million for 2000 and 1999, respectively. This analysis excludes GM's operating lease portfolio. A fair value change in the debt that funds this portfolio would potentially have a diametric impact on the fair value of the portfolio itself. As such, the overall impact to the fair value of financial instruments from a hypothetical change in interest rates may be overstated.

Commodity Price Risk – GM is exposed to changes in prices of commodities used in its Automotive business, primarily associated with various non-ferrous metals used in the manufacturing of automotive components. GM enters into commodity forward and option contracts to offset such exposure. At December 31, 2000 and 1999, the net fair value asset of such contracts was approximately \$51 million and \$151 million, respectively. The potential loss in fair value resulting from a 10% adverse change in the underlying commodity prices would be approximately \$152 million and \$210 million for 2000 and 1999, respectively. This amount excludes the offsetting impact of the price risk inherent in the physical purchase of the underlying commodities.

Equity Price Risk – GM is exposed to changes in prices of various available-for-sale equity securities in which it invests. At December 31, 2000 and 1999, the fair value of such investments was approximately \$3.3 billion and \$3.2 billion, respectively. The potential loss in fair value resulting from a 10% adverse change in equity prices would be approximately \$330 million and \$323 million for 2000 and 1999, respectively.

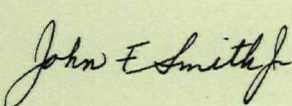
Responsibilities for Consolidated Financial Statements

The following consolidated financial statements of General Motors Corporation and subsidiaries were prepared by management, which is responsible for their integrity and objectivity. The statements have been prepared in conformity with accounting principles generally accepted in the United States of America and, as such, include amounts based on judgments of management.

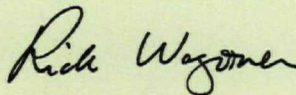
Management is further responsible for maintaining internal control designed to provide reasonable assurance that the books and records reflect the transactions of the companies and that established policies and procedures are carefully followed. From a stockholder's point of view, perhaps the most important feature in internal control is that it is continually reviewed for effectiveness and is augmented by written policies and guidelines, the careful selection and training of qualified personnel, and a strong program of internal audit.

Deloitte & Touche LLP, an independent auditing firm, is engaged to audit the consolidated financial statements of General Motors Corporation and subsidiaries and issue reports thereon. The audit is conducted in accordance with auditing standards generally accepted in the United States of America that comprehend the consideration of internal control and tests of transactions to the extent necessary to form an independent opinion on the financial statements prepared by management.

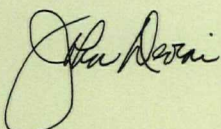
The Board of Directors, through the Audit Committee (composed entirely of non-employee Directors), is responsible for assuring that management fulfills its responsibilities in the preparation of the consolidated financial statements. The Audit Committee annually recommends to the Board of Directors the selection of the independent auditors in advance of the Annual Meeting of Stockholders and submits the selection for ratification at the Meeting. In addition, the Audit Committee reviews the scope of the audits and the accounting principles being applied in financial reporting. The independent auditors, representatives of management, and the internal auditors meet regularly (separately and jointly) with the Audit Committee to review the activities of each, to ensure that each is properly discharging its responsibilities, and to assess the effectiveness of internal control. It is management's conclusion that internal control at December 31, 2000 provides reasonable assurance that the books and records reflect the transactions of the companies and that established policies and procedures are complied with. To ensure complete independence, Deloitte & Touche LLP has full and free access to meet with the Audit Committee, without management representatives present, to discuss the results of the audit, the adequacy of internal control, and the quality of financial reporting.



John F. Smith, Jr.
Chairman



G. Richard Wagoner, Jr.
President and
Chief Executive Officer



John M. Devine
Vice Chairman and
Chief Financial Officer

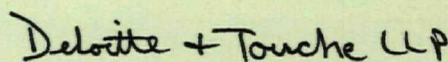
Independent Auditors' Report

General Motors Corporation, its Directors, and Stockholders:

We have audited the Consolidated Balance Sheets of General Motors Corporation and subsidiaries as of December 31, 2000 and 1999, and the related Consolidated Statements of Income, Cash Flows, and Stockholders' Equity for each of the three years in the period ended December 31, 2000. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, such financial statements present fairly, in all material respects, the financial position of General Motors Corporation and subsidiaries at December 31, 2000 and 1999, and the results of their operations and their cash flows for each of the three years in the period ended December 31, 2000 in conformity with accounting principles generally accepted in the United States of America.



**Deloitte
& Touche**

Detroit, Michigan
January 17, 2001

Consolidated Statements of Income

(Dollars in millions, except per share amounts) Years ended December 31,

2000

1999

1998

General Motors Corporation and Subsidiaries

Total net sales and revenues (Notes 1, 2, and 22)	\$184,632	\$176,558	\$155,445
Cost of sales and other expenses (Notes 2, 3, and 22)	145,664	140,708	127,785
Selling, general, and administrative expenses	22,252	19,053	16,087
Interest expense (Note 13)	9,552	7,750	6,629
<i>Total costs and expenses</i>	177,468	167,511	150,501
<i>Income from continuing operations before income taxes and minority interests</i>	7,164	9,047	4,944
Income tax expense (Note 8)	2,393	3,118	1,636
Equity income/(loss) and minority interests	(319)	(353)	(259)
<i>Income from continuing operations</i>	4,452	5,576	3,049
Income (loss) from discontinued operations (Note 1)	—	426	(93)
<i>Net income</i>	4,452	6,002	2,956
Dividends on preference stocks (Note 17)	(110)	(80)	(63)
<i>Earnings attributable to common stocks</i>	\$ 4,342	\$ 5,922	\$ 2,893

Basic earnings (losses) per share attributable to common stocks (Note 18)

\$1-2/3 par value			
Continuing operations	\$ 6.80	\$ 8.70	\$ 4.40
Discontinued operations (Note 1)	—	0.66	(0.14)
Earnings per share attributable to \$1-2/3 par value	\$ 6.80	\$ 9.36	\$4.26
Earnings per share attributable to Class H	\$ 0.56	\$ (0.26)	\$0.23

Earnings (losses) per share attributable to common stocks assuming dilution (Note 18)

\$1-2/3 par value			
Continuing operations	\$ 6.68	\$ 8.53	\$ 4.32
Discontinued operations (Note 1)	—	0.65	(0.14)
Earnings per share attributable to \$1-2/3 par value	\$ 6.68	\$ 9.18	\$ 4.18
Earnings per share attributable to Class H	\$ 0.55	\$ (0.26)	\$ 0.23

Reference should be made to the notes to consolidated financial statements.

(Dollars in millions) Years ended December 31,

2000

1999

1998

Automotive, Communications Services, and Other Operations

Total net sales and revenues (Notes 1, 2, and 22)	\$160,627	\$156,107	\$137,161
Cost of sales and other expenses (Notes 2, 3, and 22)	138,303	134,111	121,491
Selling, general, and administrative expenses	16,246	14,324	11,918
<i>Total costs and expenses</i>	154,549	148,435	133,409
Interest expense (Note 13)	815	828	786
Net expense from transactions with Financing and Insurance Operations (Note 1)	682	308	82
<i>Income from continuing operations before income taxes and minority interests</i>	4,581	6,536	2,884
Income tax expense (Note 8)	1,443	2,167	1,018
Equity income/(loss) and minority interests	(299)	(327)	(239)
<i>Income from continuing operations</i>	2,839	4,042	1,627
Income (loss) from discontinued operations (Note 1)	-	426	(93)
<i>Net income - Automotive, Communications Services, and Other Operations</i>	\$ 2,839	\$ 4,468	\$ 1,534

(Dollars in millions) Years ended December 31,

2000

1999

1998

Financing and Insurance Operations

Total revenues	\$ 24,005	\$ 20,451	\$ 18,284
Interest expense (Note 13)	8,737	6,922	5,843
Depreciation and amortization expense (Note 9)	5,982	5,445	4,920
Operating and other expenses	5,805	4,595	4,067
Provisions for financing and insurance losses (Notes 1 and 22)	1,580	1,286	1,476
<i>Total costs and expenses</i>	22,104	18,248	16,306
Net income from transactions with Automotive, Communications Services, and Other Operations (Note 1)	(682)	(308)	(82)
<i>Income before income taxes and minority interests</i>	2,583	2,511	2,060
Income tax expense (Note 8)	950	951	618
Equity income/(loss) and minority interests	(20)	(26)	(20)
<i>Net income - Financing and Insurance Operations</i>	\$ 1,613	\$ 1,534	\$ 1,422

The above supplemental consolidating information is explained in Note 1, "Nature of Operations".
Reference should be made to the notes to consolidated financial statements.

Consolidated Balance Sheets

(Dollars in millions) December 31,

2000

1999

General Motors Corporation and Subsidiaries

Assets

Automotive, Communications Services, and Other Operations

Cash and cash equivalents (Note 1)	\$ 9,119	\$ 9,730
Marketable securities (Note 4)	1,161	1,698
Total cash and marketable securities	10,280	11,428
Accounts and notes receivable (less allowances)	5,835	5,093
Inventories (less allowances) (Note 6)	10,945	10,638
Equipment on operating leases (less accumulated depreciation) (Note 7)	5,699	5,744
Deferred income taxes and other current assets (Note 8)	8,388	9,006
Total current assets	41,147	41,909
Equity in net assets of nonconsolidated associates	3,497	1,711
Property - net (Note 9)	33,977	32,779
Intangible assets - net (Notes 1 and 10)	7,622	8,527
Deferred income taxes (Note 8)	14,870	15,277
Other assets (Note 11)	32,243	25,358
Total Automotive, Communications Services, and Other Operations assets	133,356	125,561
Financing and Insurance Operations		
Cash and cash equivalents (Note 1)	1,165	712
Investments in securities (Note 4)	9,595	9,110
Finance receivables - net (Note 5)	92,415	80,627
Investment in leases and other receivables (Note 7)	36,752	36,407
Other assets (Note 11)	27,846	21,312
Net receivable from Automotive, Communications Services, and Other Operations (Note 1)	1,971	1,001
Total Financing and Insurance Operations assets	169,744	149,169
Total assets	\$303,100	\$274,730

Liabilities and Stockholders' Equity

Automotive, Communications Services, and Other Operations

Accounts payable (principally trade)	\$ 18,309	\$ 17,254
Loans payable (Note 13)	2,208	1,991
Accrued expenses (Note 12)	33,252	32,854
Net payable to Financing and Insurance Operations (Note 1)	1,971	1,001
Total current liabilities	55,740	53,100
Long-term debt (Note 13)	7,410	7,415
Postretirement benefits other than pensions (Note 14)	34,306	34,166
Pensions (Note 14)	3,480	3,339
Other liabilities and deferred income taxes (Note 12)	15,768	17,426
Total Automotive, Communications Services, and Other Operations liabilities	116,704	115,446
Financing and Insurance Operations		
Accounts payable	7,416	4,262
Debt (Note 13)	135,037	122,282
Other liabilities and deferred income taxes (Note 12)	12,922	11,282
Total Financing and Insurance Operations liabilities	155,375	137,826
Minority interests	707	596
General Motors - obligated mandatorily redeemable preferred securities of subsidiary trusts holding solely junior subordinated debentures of General Motors (Note 16)		
Series D	-	79
Series G	139	139
Stockholders' equity (Note 17)		
\$1-2/3 par value common stock (issued, 548,181,757 and 619,412,233 shares)	914	1,033
Class H common stock (issued, 875,286,559 and 411,345,561 shares)	88	14
Capital surplus (principally additional paid-in capital)	21,020	13,794
Retained earnings	10,119	6,961
Subtotal	32,141	21,802
Accumulated foreign currency translation adjustments	(2,502)	(2,033)
Net unrealized gains on securities	581	996
Minimum pension liability adjustment	(45)	(121)
Accumulated other comprehensive loss	(1,966)	(1,158)
Total stockholders' equity	30,175	20,644
Total liabilities and stockholders' equity	\$303,100	\$274,730

Reference should be made to the notes to consolidated financial statements.

Consolidated Statements of Cash Flows

For the years ended December 31,

(Dollars in millions)

	2000		1999		1998	
	Automotive, Communications Services, and Other	Financing and Insurance	Automotive, Communications Services, and Other	Financing and Insurance	Automotive, Communications Services, and Other	Financing and Insurance
Cash flows from operating activities						
Income from continuing operations	\$ 2,839	\$ 1,613	\$ 4,042	\$ 1,534	\$ 1,627	\$ 1,422
Adjustments to reconcile income from continuing operations to net cash provided by operating activities						
Depreciation and amortization expenses	7,429	5,982	6,873	5,445	6,227	4,920
Postretirement benefits other than pensions, net of payments and VEBA contributions	772	27	(1,057)	21	157	31
Pension expense, net of contributions	128	-	(808)	-	223	-
Originations and purchases of mortgage loans	-	(51,202)	-	(53,006)	-	(54,433)
Proceeds on sales of mortgage loans	-	51,444	-	55,777	-	51,582
Originations and purchases of mortgage securities	-	(1,571)	-	(1,309)	-	(2,237)
Proceeds on sales of mortgage securities	-	994	-	1,545	-	849
Change in other investments and miscellaneous assets	1,154	(1,692)	522	(127)	(162)	932
Change in other operating assets and liabilities (Note 1)	724	2,505	7,523	(23)	90	1,468
Other	(2,175)	779	(951)	944	581	1,066
Net cash provided by operating activities	10,871	8,879	16,144	10,801	8,743	5,600
Cash flows from investing activities						
Expenditures for property	(9,200)	(522)	(7,061)	(323)	(7,952)	(279)
Investments in marketable securities - acquisitions	(2,520)	(24,599)	(4,149)	(21,257)	(13,010)	(21,152)
Investments in marketable securities - liquidations	3,057	24,114	2,886	20,593	16,272	21,688
Mortgage servicing rights - acquisitions	-	(1,096)	-	(1,424)	-	(1,862)
Mortgage servicing rights - liquidations	-	12	-	35	-	80
Finance receivables - acquisitions	-	(214,666)	-	(186,379)	-	(155,613)
Finance receivables - liquidations	-	143,242	-	130,293	-	114,662
Proceeds from sales of finance receivables	-	58,369	-	48,178	-	27,681
Operating leases - acquisitions	(6,709)	(15,174)	(6,415)	(16,750)	(6,397)	(17,128)
Operating leases - liquidations	6,149	9,844	4,243	7,836	5,609	9,777
Investments in companies, net of cash acquired	(4,302)	(2,077)	(2,706)	(2,402)	(971)	(173)
Net investing activity with Financing and Insurance Operations	(1,069)	-	75	-	338	-
Other	3,281	93	(924)	732	(889)	(242)
Net cash used in investing activities	(11,313)	(22,460)	(14,051)	(20,868)	(7,000)	(22,561)
Cash flows from financing activities						
Net increase (decrease) in loans payable	142	7,723	140	(2,500)	(94)	8,280
Long-term debt - borrowings	5,279	22,414	9,090	26,471	2,937	21,098
Long-term debt - repayments	(6,196)	(16,196)	(8,281)	(13,078)	(1,492)	(11,377)
Net financing activity with Automotive, Communications Services, and Other Operations	-	1,069	-	(75)	-	(338)
Repurchases of common and preference stocks	(1,613)	-	(3,870)	-	(3,089)	-
Proceeds from issuing common and preference stocks	2,792	-	2,090	-	343	-
Cash dividends paid to stockholders	(1,294)	-	(1,367)	-	(1,388)	-
Net cash (used in) provided by financing activities	(890)	15,010	(2,198)	10,818	(2,783)	17,663
Effect of exchange rate changes on cash and cash equivalents	(249)	(6)	(206)	-	315	2
Net transactions with Automotive/Financing Operations	970	(970)	185	(185)	1,135	(1,135)
Net cash (used in) provided by continuing operations	(611)	453	(126)	566	410	(431)
Net cash provided by (used in) discontinued operations (Note 1)	-	-	128	-	(378)	-
Net (decrease) increase in cash and cash equivalents	(611)	453	2	566	32	(431)
Cash and cash equivalents at beginning of the year	9,730	712	9,728	146	9,696	577
Cash and cash equivalents at end of the year	\$ 9,119	\$ 1,165	\$ 9,730	\$ 712	\$ 9,728	\$ 146

Reference should be made to the notes to consolidated financial statements.

Consolidated Statements of Stockholders' Equity

(Dollars in millions)	Total Capital Stock	Capital Surplus	Comprehensive Income	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity
Balance at January 1, 1998	\$1,167	\$15,369		\$ 5,416	\$(4,368)	\$17,584
Shares reacquired	(75)	(3,105)		—	—	(3,180)
Shares issued	12	397		—	—	409
Comprehensive income:						
Net income	—	—	<u>\$ 2,956</u>	2,956	—	2,956
Other comprehensive income (loss):						
Foreign currency translation adjustments	—	—	(279)	—	—	—
Unrealized losses on securities	—	—	(23)	—	—	—
Minimum pension liability adjustment	—	—	<u>(1,027)</u>	—	—	—
Other comprehensive loss	—	—	<u>(1,329)</u>	—	(1,329)	(1,329)
Comprehensive income	—	—	<u>\$ 1,627</u>	—	—	—
Cash dividends	—	—		(1,388)	—	(1,388)
Balance at December 31, 1998	1,104	12,661		6,984	(5,697)	15,052
Shares reacquired	(76)	(3,794)		—	—	(3,870)
Shares issued	19	3,588		—	—	3,607
Comprehensive income:						
Net income	—	—	<u>\$ 6,002</u>	6,002	—	6,002
Other comprehensive income (loss):						
Foreign currency translation adjustments	—	—	(944)	—	—	—
Unrealized gains on securities	—	—	515	—	—	—
Minimum pension liability adjustment	—	—	<u>4,968</u>	—	—	—
Other comprehensive income	—	—	<u>4,539</u>	—	4,539	4,539
Comprehensive income	—	—	<u>\$10,541</u>	—	—	—
Cash dividends	—	—		(1,367)	—	(1,367)
Delphi initial public offering (Note 1)	—	1,244		—	—	1,244
Delphi spin-off (Note 1)	—	95		(4,658)	—	(4,563)
Balance at December 31, 1999	1,047	13,794		6,961	(1,158)	20,644
Shares reacquired	(184)	(9,626)		—	—	(9,810)
Shares issued	139	16,852		—	—	16,991
Comprehensive income:						
Net income	—	—	<u>\$ 4,452</u>	4,452	—	4,452
Other comprehensive income (loss):						
Foreign currency translation adjustments	—	—	(469)	—	—	—
Unrealized losses on securities	—	—	(415)	—	—	—
Minimum pension liability adjustment	—	—	<u>76</u>	—	—	—
Other comprehensive loss	—	—	<u>(808)</u>	—	(808)	(808)
Comprehensive income	—	—	<u>\$ 3,644</u>	—	—	—
Cash dividends	—	—		(1,294)	—	(1,294)
Balance at December 31, 2000	\$1,002	\$21,020		\$10,119	\$(1,966)	\$30,175

Reference should be made to the notes to consolidated financial statements.

Notes to Consolidated Financial Statements

NOTE 1 Significant Accounting Policies

Principles of Consolidation

The consolidated financial statements include the accounts of General Motors Corporation (hereinafter referred to as the Corporation) and domestic and foreign subsidiaries that are more than 50% owned, principally General Motors Acceptance Corporation and Subsidiaries (GMAC) and Hughes Electronics Corporation and Subsidiaries (Hughes), (collectively referred to as "General Motors" or "GM"). General Motors' share of earnings or losses of associates, in which at least 20% of the voting securities is owned, is included in the consolidated operating results using the equity method of accounting, except for investments where GM is not able to exercise significant influence over the operating and financial decisions of the investee, in which case, the cost method of accounting is used. The financial data related to Delphi Automotive Systems Corporation (Delphi) is presented as discontinued operations for the periods ended December 31, 1999 and 1998. GM encourages reference to the GMAC Annual Report on Form 10-K for the period ended December 31, 2000, filed separately with the Securities and Exchange Commission, and the Hughes consolidated financial statements included as Exhibit 99 to the GM Annual Report on Form 10-K for the period ended December 31, 2000, and related Hughes Annual Report on Form 10-K filed separately with the Securities and Exchange Commission.

Certain amounts for 1999 and 1998 have been reclassified to conform with the 2000 classifications.

Nature of Operations

GM presents separate supplemental consolidating statements of income and other financial information for the following businesses: (1) Automotive, Communications Services, and Other Operations which consists of the design, manufacturing, and marketing of cars, trucks, locomotives, and heavy-duty transmissions and related parts and accessories, as well as the operations of Hughes; and (2) Financing and Insurance Operations which consists primarily of GMAC, which provides a broad range of financial services, including consumer vehicle financing, full-service leasing and fleet leasing, dealer financing, car and truck extended service contracts, residential and commercial mortgage services, vehicle and homeowners' insurance, and asset-based lending.

Transactions between businesses have been eliminated in the Corporation's consolidated statements of income. These transactions consist principally of borrowings and other financial services provided by Financing and Insurance Operations to Automotive, Communications Services, and Other Operations.

Use of Estimates in the Preparation of the Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect amounts reported therein. Due to the inherent uncertainty involved in making estimates, actual results reported in future periods may differ from those estimates.

Revenue Recognition

Sales are generally recorded when products are shipped (when title and risks and rewards of ownership have passed), or when services are rendered to independent dealers or other third parties. Provisions for dealer sales incentives, allowances, and rebates are made at the time of vehicle sales. Incentives related to vehicles previously sold are recognized as reductions to sales when announced.

Financing revenue is recorded over the terms of the receivables using the interest method. Income from operating lease assets is recognized on a straight-line basis over the scheduled lease term.

Insurance premiums are earned on a basis related to coverage provided over the terms of the policies. Commission, premium taxes, and other costs incurred in acquiring new business are deferred and amortized over the terms of the related policies on the same basis as premiums are earned. The liability for losses and loss expenses includes a provision for unreported losses, based on past experience, net of the estimated salvage and subrogation recoverable.

Product-Related Expenses

Advertising and sales promotion, research and development, and other product-related costs are charged to expense as incurred. Provisions for estimated expenses related to product warranty are made at the time the products are sold. Advertising expense was \$4.3 billion in 2000, \$4.5 billion in 1999, and \$3.7 billion in 1998. Research and development expense was \$6.6 billion in 2000, \$6.8 billion in 1999, and \$6.3 billion in 1998.

Depreciation and Amortization

Depreciation of real estate, plants and equipment is provided based on the estimated useful lives of property groups, generally using accelerated methods, which accumulate depreciation of approximately two-thirds of the depreciable cost during the first half of the estimated useful lives.

Equipment on operating leases is depreciated on a straight-line basis over the term of the lease agreement. The difference between the net book value and the proceeds of sale or salvage on items disposed of is accounted for as a charge against or credit to the provision for depreciation.

Expenditures for special tools are amortized over their estimated useful lives, primarily using the units of production method. Replacement of special tools for reasons other than changes in products is charged directly to cost of sales.

Goodwill is amortized on a straight-line basis over periods ranging from 20 to 40 years.

Internal-Use Software

As of January 1, 1999, GM adopted Statement of Position 98-1, Accounting for the Costs of Computer Software Developed or Obtained for Internal Use, which, on a prospective basis, revised the accounting for software development costs. Based on this accounting standard, certain internal-use software costs historically expensed are now capitalized once specific criteria are met and these costs are amortized on a straight-line basis over a three year period. The adoption of this statement did not have a material impact on the Corporation's financial statements.

Valuation of Long-Lived Assets

GM periodically evaluates the carrying value of long-lived assets to be held and used and long-lived assets to be disposed of, including goodwill and other intangible assets, when events and circumstances warrant such review. If the carrying value of a long-lived asset is considered impaired, a loss is recognized based on the amount by which the carrying value exceeds the fair market value of the long-lived asset for assets to be held and used, or the amount by which the carrying value exceeds the fair market value less cost to dispose for assets to be disposed. Fair market value is determined primarily using the anticipated cash flows discounted at a rate commensurate with the risk involved.

NOTE 1 Significant Accounting Policies (continued)

Foreign Currency Translation

Foreign currency exchange transaction and translation losses on an after-tax basis included in consolidated net income in 2000, 1999, and 1998, pursuant to Statement of Financial Accounting Standards (SFAS) No. 52, Foreign Currency Translation, amounted to \$100 million, \$162 million, and \$298 million, respectively.

Stock-Based Compensation

As permitted by SFAS No. 123, Accounting for Stock-Based Compensation, GM applies the recognition and measurement principles of Accounting Principles Board Opinion No. 25 to its stock options and other stock-based employee compensation awards.

Cash and Cash Equivalents

Cash equivalents are defined as short-term, highly liquid investments with original maturities of 90 days or less.

Statement of Cash Flows Supplementary Information

	Years ended December 31,		
(Dollars in millions)	2000	1999	1998
Automotive, Communications Services, and Other Operations			
Changes in other operating assets and liabilities were as follows:			
Accounts receivable	\$ (625)	\$ (659)	\$ (80)
Prepaid expenses and other deferred charges	66	(623)	217
Inventories	(297)	(66)	(494)
Accounts payable	1,254	5,606	1,249
Deferred taxes and income taxes payable	(629)	(160)	(2,315)
Accrued expenses and other liabilities	955	3,425	1,513
Total	\$ 724	\$7,523	\$ 90
Cash paid for interest and income taxes was as follows:			
Interest	\$ 968	\$ 526	\$ 435
Income taxes	\$2,310	\$2,166	\$ 1,132

During 2000, Automotive, Communications Services, and Other Operations made investments in companies, net of cash acquired of approximately \$4.3 billion. This amount consists primarily of GM's purchase of a 20% equity interest in Fuji Heavy Industries Ltd. (Fuji) for approximately \$1.3 billion and GM's acquisition of a 20% interest in Fiat Auto Holdings, B.V. (Fiat Auto) for \$2.4 billion. In addition, Fiat S.p.A. purchased approximately 32 million shares of GM \$1-2/3 par value common stock for \$2.4 billion which is included in proceeds from issuing common and preference stocks.

	Years ended December 31,		
(Dollars in millions)	2000	1999	1998
Financing and Insurance Operations			
Changes in other operating assets and liabilities were as follows:			
Other receivables	\$ (726)	\$ (269)	\$ 206
Other assets	(29)	(83)	(36)
Accounts payable	3,155	114	858
Deferred taxes and other liabilities	105	215	440
Total	\$2,505	\$ (23)	\$1,468
Cash paid for interest and income taxes was as follows:			
Interest	\$8,511	\$6,618	\$5,695
Income taxes	\$ 475	\$ 214	\$ 138

Derivative Instruments

GM is party to a variety of foreign exchange, interest rate, and commodity forward contracts and options entered into in connection with the management of its exposure to fluctuations in foreign exchange rates, interest rates, and certain commodity prices. These financial exposures are managed in accordance with corporate policies and procedures.

Foreign exchange forward and option contracts are accounted for as hedges to the extent they are designated, and are effective, as hedges of firm foreign currency commitments. Additionally, certain foreign exchange option contracts receive hedge accounting treatment to the extent such contracts hedge certain anticipated foreign currency transactions. Gains and losses on such contracts are deferred and recognized with the related transactions.

Gains and losses from interest rate swaps and options that are designated, and are effective, as hedges of underlying debt obligations are used to adjust interest expense recognized over the lives of the underlying debt agreements. Gains and losses from terminated hedge contracts are deferred and amortized over the remaining period of the original swap or the remaining term of the underlying exposure, whichever is shorter. Open interest rate contracts are reviewed regularly to ensure that they remain effective as hedges of interest rate exposure.

GM also enters into commodity forward and option contracts. Since GM has the discretion to settle these transactions either in cash or by taking physical delivery, these contracts are not considered financial instruments for accounting purposes. Commodity forward contracts and options are accounted for as hedges to the extent they are designated, and are effective, as hedges of firm or anticipated commodity purchase contracts. Gains and losses on such contracts are deferred and recognized with the related transactions.

Derivative instruments that do not qualify for hedge accounting treatment are marked to market and the related gains and losses are included in net income.

New Accounting Standards

In June 1998, the Financial Accounting Standards Board (FASB) issued SFAS No. 133, Accounting for Derivative Instruments and Hedging Activities. In June 2000, the FASB issued SFAS No. 138, which amended certain provisions of SFAS No. 133. GM adopted SFAS No. 133, as amended, on January 1, 2001. GM will record a one-time after-tax charge to income for the initial adoption of SFAS

NOTE 1 Significant Accounting Policies (concluded)

No. 133 totaling \$6 million, as well as an after-tax unrealized loss of \$77 million to other comprehensive income as of January 1, 2001. The outcome of the pending issues at the FASB and the Derivatives Implementation Group could impact the amount of the cumulative transition adjustment presented herein.

In September 2000, the FASB issued SFAS No. 140, Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities – a replacement of FASB Statement No. 125. This statement is effective for transfers and servicing of financial assets and extinguishments of liabilities occurring after March 31, 2001, and is effective for the recognition and reclassification of collateral and disclosures relating to securitization transactions and collateral for fiscal years ending after December 15, 2000. Management does not expect this statement to have a material impact on GM's results of operations and financial position.

Discontinued Operations

On February 5, 1999, Delphi completed an initial public offering (IPO) of 100 million shares of its common stock, which represented 17.7% of its outstanding common shares. On April 12, 1999, the GM Board of Directors (GM Board) approved the complete separation of Delphi from GM by means of a spin-off (which was tax-free to GM and its stockholders for U.S. federal income tax purposes). On May 28, 1999, GM distributed to holders of its \$1-2/3 par value common stock 80.1% of the outstanding shares of Delphi, which resulted in 0.69893 shares of Delphi common stock being distributed for each share of GM \$1-2/3 par value common stock outstanding on the record date of May 25, 1999. In addition, GM contributed the remaining 2.2% of Delphi shares (around 12.4 million shares), to a Voluntary Employee Beneficiary Association (VEBA) trust established by GM to fund benefits to its hourly retirees. In total, the complete separation of Delphi in the year ended December 31, 1999 resulted in a reduction to stockholders' equity of approximately \$3.3 billion.

The financial data related to GM's investment in Delphi through May 28, 1999 is classified as discontinued operations for the periods ended December 31, 1999 and 1998.

Delphi net sales (including sales to GM) included in discontinued operations totaled \$12.5 billion and \$28.5 billion for the years ended December 31, 1999 and 1998, respectively. Income (loss) from Delphi discontinued operations of \$426 million and \$(93) million for the years ended December 31, 1999 and 1998, is reported net of income tax expense (benefit) of \$314 million and \$(173) million, respectively.

NOTE 2 Asset Impairments

GM periodically evaluates the carrying value of long-lived assets to be held and used and long-lived assets to be disposed of, when events and circumstances warrant such review. These evaluations and reviews are generally done in conjunction with the annual business planning cycle.

In 2000, GM recorded pre-tax charges against income for asset impairments of \$917 million (\$587 million after-tax, or \$0.99 per share of GM \$1-2/3 par value common stock). GM did not record any such pre-tax charges against income in 1999. In 1998, GM recorded pre-tax charges against income of \$122 million

(\$165 million after-tax, or \$0.24 per share of GM \$1-2/3 par value common stock). These charges are components of the following line items in the income statement:

	Years ended December 31,		
(Dollars in millions)	2000	1999	1998
Total net sales and revenues	\$315	\$ –	\$ –
Cost of sales and other expenses	602	–	122
Total	\$917	–	\$122

In 2000, the pre-tax charges were comprised of \$572 million (\$356 million after-tax) for GM North America (GMNA), and \$345 million (\$231 million after-tax) for GM Europe (GME). The amount is related to the write-down of special tools and equipment on operating leases as a result of the phase-out of the Oldsmobile division as the current model lineup product lifecycles come to an end, or until the models are no longer economically viable, and the reduction in production capacity at GME, including the restructuring of Vauxhall Motors Limited's manufacturing operations in the U.K.

In 1998, the pre-tax charges were comprised of \$37 million (\$38 million after-tax) for GMNA, \$48 million (\$30 million after-tax) for GM Latin America/Africa/Mid-East (GMLAAM), and \$37 million (\$97 million after-tax) for GM Asia Pacific (GMAP). The amount represents the write-down of certain tooling and other property, plant, and equipment that was determined to be impaired.

NOTE 3 Postemployment Benefit Costs

GM records liabilities for termination and other postemployment benefits to be paid pursuant to union or other contractual agreements in connection with closed plants in North America. GM reviews the adequacy and continuing need for these liabilities on an annual basis in conjunction with its year-end production and labor forecasts. Furthermore, GM reviews the reasonableness of these liabilities on a quarterly basis.

In the fourth quarter of 2000, GM recognized postemployment benefits liabilities associated with reductions in production capacity and conversions at the following U.S. plants: Oklahoma City, Oklahoma; Delta Engine, Lansing, Michigan; Spring Hill, Tennessee; and Wilmington, Delaware. The 2000 charge relates to approximately 4,000 U.S. employees and increased cost of sales by \$473 million (\$294 million after-tax, or \$0.50 per share of GM \$1-2/3 par value common stock).

In the fourth quarter of 1999, as a result of several factors, including the separation of Delphi from GM, a stronger than expected U.S. vehicle market, and changes to the National Labor Agreement between GM and the UAW, GM reversed postemployment benefits liabilities for employees at closed plants through an adjustment to cost of sales totaling approximately \$892 million (\$553 million after-tax, or \$0.84 per share of GM \$1-2/3 par value common stock). The 1999 adjustment of postemployment benefit costs reflects the decrease in the number of excess employees at December 31, 1999, as compared with December 31, 1998, as well as a shortened duration of benefit payments based on current redeployment assumptions.

NOTE 3 Postemployment Benefit Costs (concluded)

The liability for postemployment benefits as of December 31, 2000 totals approximately \$665 million, with anticipated spending of approximately 86% over the next three years. The following tables summarize the activity from December 31, 1998 through December 31, 2000 for this liability (dollars in millions):

Plant	December 31,		2000 Activity			December 31,	
	1999					2000	
	Excess Employees	Balance	Spending	Interest Accretion	Adjustment	Balance	Excess Employees
Buick City/Flint V-6	403	\$ 50	\$ (19)	\$ 3	\$ —	\$ 34	313
Kalamazoo	459	43	(18)	2	—	27	289
Flint V-8	659	51	(46)	2	—	7	106
Van Nuys	366	96	(23)	5	—	78	329
Tarrytown	61	6	(2)	—	—	4	61
Framingham	91	16	(4)	1	—	13	37
Danville	16	4	(1)	—	—	3	7
Delta Engine	—	—	—	—	26	26	664
Oklahoma City	—	—	—	—	221	221	2,080
Spring Hill	—	—	—	—	107	107	444
Wilmington	—	—	—	—	119	119	879
Other	615	29	(3)	—	—	26	572
Total	2,670	\$ 295	\$(116)	\$13	\$473	\$665	5,781

Plant	December 31,		1999 Activity			December 31,	
	1998					1999	
	Excess Employees	Balance	Spending	Interest Accretion	Adjustment	Balance	Excess Employees
Buick City/Flint V-6 ⁽¹⁾	2,123	\$ 537	\$ (56)	\$29	\$(460)	\$ 50	403
Kalamazoo	1,254	229	(46)	12	(152)	43	459
Flint V-8	876	224	(30)	11	(154)	51	659
Van Nuys	396	156	(17)	8	(51)	96	366
Tarrytown	79	30	(4)	2	(22)	6	61
Framingham	99	21	(2)	1	(4)	16	91
Danville	47	18	(1)	1	(14)	4	16
Other	658	72	(12)	4	(35)	29	615
Total	5,532	\$1,287	\$(168)	\$68	\$(892)	\$295	2,670

(1) The reduction in excess employees at the Buick City assembly and Flint V-6 engine plants was a result of redeployment to other GM and Delphi plants (1,239) and retirement (481).

NOTE 4 Marketable Securities

Marketable securities held by GM are classified as available-for-sale, except for certain mortgage-related securities, which are classified as trading securities. Unrealized gains and losses, net of related income taxes, for available-for-sale securities are included as a separate component of stockholders' equity. Unrealized gains and losses for trading securities are included in income on a current basis. GM determines cost on the specific identification basis.

Automotive, Communications Services, and Other Operations

Investments in marketable securities were as follows (dollars in millions):

<i>December 31, 2000</i>	Cost	Fair Value	Unrealized Gains	Unrealized Losses
Type of security				
Bonds, notes, and other securities				
United States government and agencies	\$ 90	\$ 91	\$1	\$—
States and municipalities	9	9	—	—
Corporate debt securities and other	1,063	1,061	—	2
Total marketable securities	\$1,162	\$1,161	\$1	\$2

<i>December 31, 1999</i>	Cost	Fair Value	Unrealized Gains	Unrealized Losses
Type of security				
Bonds, notes, and other securities				
United States government and agencies	\$ 533	\$ 528	\$—	\$ 5
States and municipalities	21	21	—	—
Corporate debt securities and other	1,154	1,149	1	6
Total marketable securities	\$1,708	\$1,698	\$1	\$11

Debt securities totaling \$256 million mature within one year and \$905 million mature after one through five years. Proceeds from sales of marketable securities totaled \$1.3 billion in 2000, \$2.0 billion in 1999, and \$4.4 billion in 1998. The gross gains related to sales of marketable securities were \$1 million, \$21 million, and \$17 million in 2000, 1999, and 1998, respectively. The gross losses related to sales of marketable securities were \$12 million, \$6 million, and \$11 million in 2000, 1999, and 1998, respectively.

Financing and Insurance Operations

Investments in securities were as follows (dollars in millions):

<i>December 31, 2000</i>	Cost	Fair Value	Unrealized Gains	Unrealized Losses
Type of security				
Bonds, notes, and other securities				
United States government and agencies	\$ 556	\$ 565	\$ 10	\$ 1
States and municipalities	1,492	1,567	81	6
Mortgage-backed securities	387	384	14	17
Corporate debt securities and other	2,520	2,506	47	61
Total debt securities				
available-for-sale	4,955	5,022	152	85
Mortgage-backed securities held for trading purposes	3,516	3,516	—	—
Total debt securities	8,471	8,538	152	85
Equity securities	766	1,057	395	104
Total investment in securities	\$9,237	\$9,595	\$547	\$189

<i>December 31, 1999</i>	Cost	Fair Value	Unrealized Gains	Unrealized Losses
Type of security				
Bonds, notes, and other securities				
United States government and agencies	\$ 488	\$ 476	\$ —	\$ 12
States and municipalities	1,534	1,540	47	41
Mortgage-backed securities	480	453	10	37
Corporate debt securities and other	2,515	2,491	39	63
Total debt securities				
available-for-sale	5,017	4,960	96	153
Mortgage-backed securities held for trading purposes	2,889	2,889	—	—
Total debt securities	7,906	7,849	96	153
Equity securities	685	1,261	634	58
Total investment in securities	\$8,591	\$9,110	\$730	\$211

Debt securities available-for-sale totaling \$891 million mature within one year, \$2.1 billion mature after one through five years, \$797 million mature after five years through 10 years, and \$1.3 billion mature after 10 years. Proceeds from sales of marketable securities totaled \$3.5 billion in 2000, \$2.9 billion in 1999, and \$3.6 billion in 1998. The gross gains related to sales of marketable securities were \$315 million, \$292 million, and \$218 million in 2000, 1999, and 1998, respectively. The gross losses related to sales of marketable securities were \$147 million, \$126 million, and \$49 million in 2000, 1999, and 1998, respectively.

NOTE 5 Finance Receivables and Securitizations

Finance Receivables – Net

Finance receivables – net included the following (dollars in millions):

December 31,	2000	1999
Retail	\$51,337	\$46,036
Wholesale	26,993	23,987
Commercial	5,546	3,550
Leasing and lease financing	2,178	2,681
Term loans to dealers and others	12,565	9,640
Total finance receivables	98,619	85,894
Less – Unearned income	(4,872)	(4,153)
Allowance for financing losses	(1,332)	(1,114)
Total finance receivables – net	\$92,415	\$80,627

Finance receivables that originated outside the U.S. are \$21.4 billion and \$20.8 billion at December 31, 2000 and 1999, respectively. The aggregate amount of total finance receivables maturing in each of the five years following December 31, 2000 is as follows: 2001 – \$52.5 billion; 2002 – \$18.1 billion; 2003 – \$14.9 billion; 2004 – \$7.3 billion; 2005 – \$3.8 billion; and 2006 and thereafter – \$2.0 billion.

Securitizations of Finance Receivables and Mortgage Loans

The Corporation has sold retail finance receivables through special purpose subsidiaries with principal aggregating \$5.2 billion in 2000, \$5.1 billion in 1999, and \$1.6 billion in 1998. These subsidiaries generally retain a subordinated investment of no greater than 6.25% of the total receivables pool and sell the remaining portion. Net pre-tax gains relating to such sales amounted to \$14 million in 2000, \$64 million in 1999, and \$31 million in 1998. The Corporation's sold retail finance receivable servicing portfolio amounted to \$7.0 billion and \$5.6 billion at December 31, 2000 and 1999, respectively.

The Corporation has sold wholesale receivables on a revolving basis resulting in decreases in wholesale outstandings of \$10.0 billion and \$8.4 billion at December 31, 2000 and 1999, respectively. The Corporation is committed to sell eligible wholesale receivables arising in certain dealer accounts. During the years 2000, 1999, and 1998, there were no gains recorded on the sale of wholesale receivables. Due to the short-term nature of wholesale receivables, the fair value of retained interests in wholesale securitizations is assumed to approximate cost.

When the Corporation securitizes retail and wholesale receivables, it retains interest-only strips, all or a portion of senior and subordinated tranches, servicing rights, and cash reserve accounts, all of which are retained interests in the securitized receivables. Interest-only strip receivables, cash deposits, and other related amounts are generally restricted assets and subject to limited recourse provisions. With respect to retained servicing responsibilities, the Corporation receives annual servicing fees approximating 2.0% (for retail receivables) and 1.0% (for wholesale receivables) of the outstanding balance. Additionally, the Corporation receives the rights to future cash flows arising after the investors in the securitization trust have received their contracted return.

During 2000, GM sold residential, commercial, and other mortgage loans in securitization transactions, generally retaining servicing responsibilities and, in some cases, subordinated interests. In 2000, 1999, and 1998, GM recognized pre-tax gains of \$723 million, \$603 million, and \$320 million, respectively, on the securitization of residential and commercial mortgages.

At December 31, 2000, total mortgage loans owned or securitized totaled \$86.8 billion, of which \$79.1 billion had been securitized, \$5.8 billion was held for sale, and \$1.9 billion was held for investment (see Note 11). At that date, mortgage loans owned or securitized which were 60 days or more past due, totaled \$3.0 billion.

The investors and the securitization trusts associated with the sales of finance receivables and mortgage loans have no recourse to GM's other assets for failure of debtors to pay when due. The Corporation's retained interests are subordinate to the investors' interests. Their fair value is subject to credit, prepayment, and interest rate risks on the transferred assets.

The resulting gain or loss on securitization transactions is determined by allocating the carrying amount of the loans or finance receivables between the securities sold and the interests retained based on their relative fair value at the date of sale. Fair values are based on quoted market prices, if available. Otherwise, the fair value of the retained interests is estimated based on the present value of expected future cash flows.

Key economic assumptions used in measuring the fair value of retained interests at the date of the securitization, for securitizations completed during 2000, were as follows:

	Retail Finance Receivables	Mortgage Loans	
		Residential	Commercial
Prepayment speed	1.2% to 1.7%	10.5% to 38.0%	0.0% to 68.0%
Weighted-average life (in years)	1.4 to 1.7	1.7 to 6.3	2.6 to 10.4
Residual cash flows discounted at	9.5% to 12.0%	6.5% to 14.0%	12.7% to 34.0%
Variable returns to transferees	One month LIBOR plus contractual spread ranging from 7 to 9 basis points	Forward benchmark interest rate yield curve plus contractual spread	

Expected credit losses used in measuring the fair value of retained interests in residential and commercial mortgage loans securitized during 2000 were 0.0% to 21.7% and 0.0% to 2.0%, respectively, at the date of securitization.

NOTE 5 Finance Receivables and Securitizations (concluded)

At December 31, 2000, key economic assumptions and the sensitivity of the current fair value of residual cash flows to immediate 10% and 20% adverse changes in those assumptions were as follows (dollars in millions):

	Retail Finance Receivables	Mortgage Loans	
		Residential	Commercial
Carrying amount/fair value of retained interests	\$1,196	\$2,368	\$292
Prepayment speed (annual rate)	1.2% to 1.7%	12.7% to 38.9%	0.0% to 68.0%
Reduction in fair value due to 10% adverse change	\$3	\$160	\$ 1
Reduction in fair value due to 20% adverse change	\$6	\$313	\$ 1
Residual cash flows discount rate (annual rate)	9.3% to 12.0%	6.5% to 13.9%	9.9% to 34.0%
Reduction in fair value due to 10% adverse change	\$4	\$ 89	\$23
Reduction of fair value due to 20% adverse change	\$9	\$168	\$37
Variable returns to transferees			
Reduction in fair value due to 10% adverse change	\$4	\$ 27	\$ —
Reduction in fair value due to 20% adverse change	\$7	\$ 55	\$ —

Expected credit losses used in the calculation of the fair value of residual cash flows at December 31, 2000 for residential and commercial mortgage loans were 0.0% to 21.7% and 0.0% to 3.0%, respectively. An immediate 10% adverse change in these assumptions would reduce the fair value of such cash flows by \$97 million and \$2 million for residential and commercial mortgage loans, respectively. An immediate 20% adverse change in these assumptions would reduce the fair value of such cash flows by \$191 million and \$4 million for residential and commercial mortgage loans, respectively.

These sensitivities are hypothetical and should be used with caution. As the figures indicate, changes in fair value based on a 10% variation in assumptions generally cannot be extrapolated because the relationship of the change in assumption to the change in fair value may not be linear. Also, in this table, the effect of a variation in a particular assumption on the fair value of the retained interest is calculated without changing any other assumption. In reality, changes in one factor may result in changes in another (for example, increases in market interest rates may result in lower prepayments and increased credit losses), which might magnify or counteract the sensitivities. Further, these sensitivities show only the change in the asset balances and do not show any expected changes in the fair value instruments used to manage the interest rate and prepayment risks associated with these assets, as discussed in Note 19.

The following summarizes cash flows received from (paid to) securitization trusts during the year ended December 31, 2000 (dollars in millions):

	Retail Finance Receivables	Mortgage Loans	
		Residential	Commercial
Proceeds from new securitizations	\$3,717	\$24,959	\$2,476
Servicing fees received	\$ 190	\$ 212	\$ 13
Other cash flows received on retained interests	\$2,181	\$ 483	\$ 46
Pool buybacks and purchases of delinquent assets	\$ (530)	\$ (282)	\$ —
Servicing advances	\$ (75)	\$ (616)	\$ (82)
Repayments of servicing advances	\$ 66	\$ 586	\$ 74

Mortgage Servicing Rights

The fair value of GM's mortgage servicing rights totaled \$4.1 billion and \$3.5 billion at December 31, 2000 and 1999, respectively. The key economic assumptions used in the calculation of such fair values are prepayment speeds and discount rates. At December 31, 2000, a prepayment speed of 13.6% and a discount rate of 10.6% were used in the calculation of fair value. At that date, an immediate 10% and 20% adverse change in the assumed prepayment speed would reduce the fair value of mortgage servicing rights by \$135 million and \$262 million, respectively. An immediate 10% and 20% adverse change in the assumed discount rate would reduce the fair value of mortgage servicing rights by \$113 million and \$218 million, respectively. These sensitivities are hypothetical and should be used with caution for reasons similar to those discussed above.

NOTE 6 Inventories

Inventories included the following for Automotive, Communications Services, and Other Operations (dollars in millions):

December 31,	2000	1999
Productive material, work in process, and supplies	\$ 5,555	\$ 5,505
Finished product, service parts, etc.	7,319	7,023
Total inventories at FIFO	12,874	12,528
Less LIFO allowance	1,929	1,890
Total inventories (less allowances)	\$10,945	\$10,638

Inventories are stated generally at cost, which is not in excess of market. The cost of approximately 90% of U.S. inventories is determined by the last-in, first-out (LIFO) method. Generally, the cost of all other inventories is determined by either the first-in, first-out (FIFO) or average cost methods.

NOTE 7 Equipment on Operating Leases

The Corporation has significant investments in the residual values of its leasing portfolios. The residual values represent the estimate of the values of the assets at the end of the lease contracts and are initially recorded based on appraisals and estimates. Realization of the residual values is dependent on the Corporation's future ability to market the vehicles under then prevailing market conditions. Management reviews residual values periodically to determine that recorded amounts are appropriate.

Automotive, Communications Services, and Other Operations

Equipment on operating leases and other assets was as follows (dollars in millions):

December 31,	2000	1999
Equipment on operating leases	\$11,268	\$10,754
Less accumulated depreciation	(1,335)	(1,099)
Net book value	\$ 9,933	\$ 9,655
Current	\$ 5,699	\$ 5,744
Noncurrent (Note 11)	4,234	3,911
Net book value	\$ 9,933	\$ 9,655

Financing and Insurance Operations

Equipment on operating leases included in investment in leases and other receivables was as follows (dollars in millions):

December 31,	2000	1999
Equipment on operating leases	\$41,295	\$41,522
Less accumulated depreciation	(8,762)	(8,336)
Net book value	\$32,533	\$33,186

The lease payments to be received related to equipment on operating leases maturing in each of the five years following December 31, 2000 are as follows: Automotive, Communications Services, and Other Operations – 2001 – \$2.1 billion; 2002 – \$580 million; 2003 – \$544 million; 2004 – \$505 million; and 2005 – \$450 million. Financing and Insurance Operations – 2001 – \$7.2 billion; 2002 – \$4.7 billion; 2003 – \$1.7 billion; 2004 – \$171 million; and 2005 – \$10 million.

NOTE 8 Income Taxes

Income from continuing operations before income taxes and minority interests included the following (dollars in millions):

Years ended December 31,	2000	1999	1998
U.S. income	\$3,019	\$4,156	\$1,783
Foreign income	4,145	4,891	3,161
Total	\$7,164	\$9,047	\$4,944

The provision for income taxes was estimated as follows (dollars in millions):

Years ended December 31,	2000	1999	1998
Income taxes estimated to be payable currently			
U.S. federal	\$ 45	\$ 156	\$ 83
Foreign	971	1,368	1,952
U.S. state and local	72	308	295
Total payable currently	1,088	1,832	2,330
Deferred income tax expense (credit) – net			
U.S. federal	742	1,008	354
Foreign	281	244	(852)
U.S. state and local	282	34	(196)
Total deferred	1,305	1,286	(694)
Total income taxes	\$2,393	\$3,118	\$1,636

Annual tax provisions include amounts considered sufficient to pay assessments that may result from examination of prior year tax returns; however, the amount ultimately paid upon resolution of issues raised may differ materially from the amount accrued.

Provisions are made for estimated U.S. and foreign income taxes, less available tax credits and deductions, which may be incurred on the remittance of the Corporation's share of subsidiaries' undistributed earnings not deemed to be permanently invested. Taxes have not been provided on foreign subsidiaries' earnings, which are deemed essentially permanently reinvested, of \$13.4 billion at December 31, 2000 and \$13.2 billion at December 31, 1999. Quantification of the deferred tax liability, if any, associated with permanently reinvested earnings is not practicable.

A reconciliation of the provision for income taxes compared with the amounts at the U.S. federal statutory rate was as follows (dollars in millions):

Years ended December 31,	2000	1999	1998
Tax at U.S. federal statutory income tax rate	\$2,507	\$3,166	\$1,730
Foreign rates other than 35%	78	(109)	1
Taxes on unremitted earnings of subsidiaries	–	138	92
Tax credits	(45)	(207)	(203)
Subsidiary settlement of affirmative claim with IRS	–	–	(92)
Other adjustments	(147)	130	108
Total income tax	\$2,393	\$3,118	\$1,636

NOTE 8 Income Taxes (concluded)

Deferred income tax assets and liabilities for 2000 and 1999 reflect the impact of temporary differences between amounts of assets, liabilities, and equity for financial reporting purposes and the bases of such assets, liabilities, and equity as measured by tax laws, as well as tax loss and tax credit carryforwards.

Temporary differences and carryforwards that gave rise to deferred tax assets and liabilities included the following (dollars in millions):

December 31,	2000		1999	
	Deferred Tax Assets	Liabilities	Deferred Tax Assets	Liabilities
Postretirement benefits other than pensions	\$14,393	\$ -	\$14,351	\$ -
Employee benefit plans	2,884	8,182	3,189	7,596
Policy and warranty reserves	2,405	-	2,471	-
Sales and product reserves	2,547	-	2,587	-
Depreciation and amortization	652	3,742	577	3,696
Tax carryforwards	3,202	-	3,184	-
Lease transactions	-	3,911	-	3,844
Miscellaneous foreign	4,150	1,372	3,233	887
Other	7,287	4,493	6,718	4,249
Subtotal	37,520	21,700	36,310	20,272
Valuation allowances	(717)	-	(789)	-
Total deferred taxes	\$36,803	\$21,700	\$35,521	\$20,272

Of the tax carryforwards, approximately 26% relates to the alternative minimum tax credit (which can be carried forward indefinitely) and approximately 18% relates to the U.S. state net operating loss carryforwards, which will expire in the years 2001-2020 if not used. However, a substantial portion of the U.S. state net operating loss carryforwards will not expire until after the year 2005. The other tax credit carryforwards, consisting primarily of research and experimentation credits, will expire in the years 2004, 2011-2012, and 2018-2020 if not used.

NOTE 9 Property – Net

Property – net included the following for Automotive, Communications Services, and Other Operations (dollars in millions):

	Estimated Useful Lives (Years)	December 31,	
		2000	1999
Land	-	\$ 924	\$ 751
Building and land improvements	2-40	12,997	13,898
Machinery and equipment	3-30	40,900	41,341
Construction in progress	-	4,664	3,787
Real estate, plants, and equipment		59,485	59,777
Less accumulated depreciation		(32,875)	(34,363)
Real estate, plants, and equipment – net		26,610	25,414
Special tools – net		7,367	7,365
Total property – net		\$33,977	\$32,779

Financing and Insurance Operations had net property of \$1.4 billion and \$496 million recorded in other assets at December 31, 2000 and 1999, respectively.

Depreciation and amortization expense was as follows (dollars in millions):

Years ended December 31,	2000	1999	1998
Automotive, Communications Services, and Other Operations			
Depreciation	\$4,368	\$4,155	\$3,772
Amortization of special tools	2,753	2,492	2,350
Amortization of intangible assets (Note 10)	308	226	105
Total	\$7,429	\$6,873	\$6,227
Financing and Insurance Operations			
Depreciation and amortization expense	\$5,982	\$5,445	\$4,920

NOTE 10 Intangible Assets – Net

Automotive, Communications Services, and Other Operations had net intangible assets of \$7.6 billion and \$8.5 billion at December 31, 2000 and December 31, 1999, respectively.

Financing and Insurance Operations had net intangible assets of \$3.2 billion and \$2.9 billion recorded in other assets at December 31, 2000 and 1999, respectively.

Intangible assets primarily consist of goodwill, which is the cost of acquired businesses in excess of the fair value of their identifiable net assets.

NOTE 11 Other Assets

Automotive, Communications Services, and Other Operations

Other assets included the following (dollars in millions):

December 31,	2000	1999
Equipment on operating leases – noncurrent (Note 7)	\$ 4,234	\$ 3,911
Notes receivable from Delphi	-	1,538
Investments in equity securities ⁽¹⁾	4,666	1,970
U.S. prepaid pension assets (Note 14)	20,184	15,267
Other	3,159	2,672
Total other assets	\$32,243	\$25,358

(1) The balance at December 31, 2000 includes GM's 20% interest in Fiat Auto of \$2.4 billion. This investment is accounted for using the cost method of accounting. Amounts also include the fair value of investments in equity securities classified as available-for-sale for all periods presented. It is GM's intent to hold these securities for greater than one year. Balances include historical costs of \$1.9 billion and \$1.3 billion with unrealized gains of \$495 million and \$687 million and unrealized losses of \$146 million and \$36 million at December 31, 2000 and 1999, respectively.

NOTE 11 Other Assets (concluded)

Financing and Insurance Operations

Other assets included the following (dollars in millions):

December 31,	2000	1999
Mortgage servicing rights	\$ 3,985	\$ 3,422
Real estate mortgage – held for sale	5,759	5,678
– held for investment	1,895	1,497
– lending receivables	2,960	1,801
Other mortgage-related assets	1,451	1,094
Receivables purchased from factored clients	2,291	765
Due and deferred from receivables sales	1,097	742
Rental car buybacks	826	712
Intangible assets	3,188	2,898
Other	4,394	2,703
Total other assets	\$27,846	\$21,312

NOTE 12 Accrued Expenses, Other Liabilities, and Deferred Income Taxes

Automotive, Communications Services, and Other Operations

Accrued expenses, other liabilities, and deferred income taxes included the following (dollars in millions):

December 31,	2000	1999
Warranties, dealer and customer allowances, claims, and discounts	\$15,993	\$15,284
Deferred revenue	9,974	9,504
Payrolls and employee benefits (excludes postemployment)	4,609	5,211
Unpaid losses under self-insurance programs	2,031	1,923
Taxes, other than income taxes	1,009	1,084
Interest	1,401	1,542
Income taxes	445	1,006
Deferred income taxes	2,430	2,926
Postemployment benefits (including extended disability benefits)	2,380	2,097
Other	8,748	9,703
Total accrued expenses, other liabilities, and deferred income taxes	\$49,020	\$50,280

Financing and Insurance Operations

Other liabilities and deferred income taxes included the following (dollars in millions):

December 31,	2000	1999
Unpaid insurance losses, loss adjustment expenses, and unearned insurance premiums	\$ 3,870	\$ 3,811
Postemployment benefits	761	722
Income taxes	571	439
Deferred income taxes	4,021	3,730
Interest	1,828	1,602
Other	1,871	978
Total other liabilities and deferred income taxes	\$12,922	\$11,282

NOTE 13 Long-Term Debt and Loans Payable

Automotive, Communications Services, and Other Operations

Long-term debt and loans payable were as follows (dollars in millions):

	Weighted-Average Interest Rate		December 31,	
	2000	1999	2000	1999
Long-term debt and loans payable				
Payable within one year				
Current portion of long-term debt	6.3%	6.3%	\$ 415	\$ 681
Commercial paper ⁽¹⁾	5.8%	5.8%	519	405
All other	4.8%	4.8%	1,274	905
Total loans payable	–	–	2,208	1,991
Payable beyond one year	8.1%	8.9%	7,438	7,444
Unamortized discount			(28)	(29)
Total long-term debt and loans payable			\$9,618	\$9,406

(1) The weighted-average interest rates for commercial paper include the impact of interest rate swap agreements.

Long-term debt payable beyond one year at December 31, 2000 included maturities as follows: 2002 – \$426 million; 2003 – \$715 million; 2004 – \$454 million; 2005 – \$799 million; 2006 and after – \$5.0 billion.

Amounts payable beyond one year after consideration of foreign currency swaps at December 31, 2000 included \$1.5 billion in currencies other than the U.S. dollar, primarily the Swedish krona (\$776 million), the Japanese yen (\$435 million), the Brazilian real (\$151 million), and the Canadian dollar (\$64 million).

At December 31, 2000 and 1999, long-term debt and loans payable for Automotive, Communications Services, and Other Operations included \$8.3 billion and \$7.4 billion, respectively, of obligations with fixed interest rates and \$1.3 billion and \$2.0 billion, respectively, of obligations with variable interest rates (predominantly LIBOR), after considering the impact of interest rate swap agreements.

NOTE 13 Long-Term Debt and Loans Payable (concluded)

To achieve its desired balance between fixed and variable rate debt, GM has entered into interest rate swap and cap agreements. The notional amounts of such agreements as of December 31, 2000 for Automotive, Communications Services, and Other Operations were approximately \$1.2 billion (\$200 million pay variable and \$1.0 billion pay fixed) and \$90 million, respectively. The notional amounts of such agreements as of December 31, 1999 were approximately \$600 million (\$400 million pay variable and \$200 million pay fixed) and \$100 million, respectively.

GM and its subsidiaries maintain substantial lines of credit with various banks that totaled \$11.6 billion at December 31, 2000, of which \$4.3 billion represented short-term credit facilities and \$7.3 billion represented long-term credit facilities. At December 31, 1999, bank lines of credit totaled \$9.6 billion, of which \$3.9 billion represented short-term credit facilities and \$5.7 billion represented long-term credit facilities. The unused short-term and long-term portions of the credit lines totaled \$3.1 billion and \$6.2 billion at December 31, 2000, compared with \$3.5 billion and \$4.8 billion at December 31, 1999. Certain bank lines of credit contain covenants with which the Corporation and applicable subsidiaries were in compliance during the year ended December 31, 2000.

Financing and Insurance Operations

Debt was as follows (dollars in millions):

	Weighted-Average Interest Rate		December 31,	
	2000	1999	2000	1999
Debt				
Payable within one year				
Current portion of debt	6.5%	6.6%	\$ 18,603	\$ 14,996
Commercial paper ⁽¹⁾	6.5%	5.8%	43,634	33,229
All other	4.6%	4.6%	14,506	18,727
Payable beyond one year	6.4%	6.3%	58,846	55,952
Unamortized discount			(552)	(622)
Total debt			\$135,037	\$122,282

(1) The weighted-average interest rates for commercial paper include the impact of interest rate swap agreements.

Debt payable beyond one year at December 31, 2000 included maturities as follows: 2002 – \$19.9 billion; 2003 – \$14.1 billion; 2004 – \$7.2 billion; 2005 – \$5.9 billion; 2006 and after – \$11.7 billion.

Amounts payable beyond one year after consideration of foreign currency swaps at December 31, 2000 included \$9.8 billion in currencies other than the U.S. dollar, primarily the Canadian dollar (\$6.6 billion), the euro (\$1.6 billion), the U.K. pound sterling (\$738 million), and the Australian dollar (\$573 million).

At December 31, 2000 and 1999, debt for Financing and Insurance Operations included \$86.1 billion and \$78.3 billion, respectively, of obligations with fixed interest rates and \$48.9 billion and \$44.0 billion, respectively, of obligations with variable interest rates (predominantly LIBOR), after considering the impact of interest rate swap agreements.

To achieve its desired balance between fixed and variable rate debt, GM has entered into interest rate swap, cap, and floor agreements. The notional amounts of such agreements as of December 31, 2000 for Financing and Insurance Operations were approximately \$35.2 billion (\$24.0 billion pay variable and \$11.2 billion pay fixed), \$74 million, and \$83 million, respectively. The notional amounts for interest rate swap, cap, and floor agreements as of December 31, 1999, were approximately \$26.1 billion (\$18.1 billion pay variable and \$8.0 billion pay fixed), \$483 million, and \$93 million, respectively.

GM's financing and insurance subsidiaries maintain substantial lines of credit with various banks that totaled \$48.5 billion at December 31, 2000, of which \$17.5 billion represented short-term credit facilities and \$31.0 billion represented long-term credit facilities. At December 31, 1999, bank lines of credit totaled \$46.9 billion, of which \$16.8 billion represented short-term credit facilities and \$30.1 billion represented long-term credit facilities. The unused short-term and long-term portions of the credit lines totaled \$8.1 billion and \$30.5 billion at December 31, 2000, compared with \$6.3 billion and \$29.3 billion at December 31, 1999. Certain bank lines of credit contain covenants with which the Corporation and applicable subsidiaries were in compliance during the year ended December 31, 2000.

NOTE 14 Pensions and Other Postretirement Benefits

GM has a number of defined benefit pension plans covering substantially all employees. Plans covering U.S. and Canadian represented employees generally provide benefits of negotiated, stated amounts for each year of service as well as significant supplemental benefits for employees who retire with 30 years of service before normal retirement age. The benefits provided by the plans covering U.S. and Canadian salaried employees and employees in certain foreign locations are generally based on years of service and salary history. GM also has certain nonqualified pension plans covering executives that are based on targeted wage replacement percentages and are unfunded.

Pension plan assets are primarily invested in U.S. Government obligations, equity and fixed income securities, commingled pension trust funds, insurance contracts, and GM Class H common stock (valued at December 31, 2000 at \$3.4 billion).

Notes to Consolidated Financial Statements

NOTE 14 Pensions and Other Postretirement Benefits (continued)

GM's funding policy with respect to its qualified pension plans is to contribute annually not less than the minimum required by applicable law and regulations. GM made pension contributions to the U.S. hourly and salary plans of \$5.0 billion in 2000 (consisting entirely of GM Class H common stock contributed during the second quarter of 2000), \$794 million in 1999, and \$1.1 billion in 1998. In addition, GM made pension contributions to all other U.S. plans of \$69 million, \$67 million, and \$51 million in 2000, 1999, and 1998, respectively.

Additionally, GM maintains hourly and salary benefit plans that provide postretirement medical, dental, vision, and life insurance to most U.S. retirees and eligible dependents. The cost of such benefits is recognized in the consolidated financial statements during the period employees provide service to GM. Postretirement plan assets in GM's VEBA trust are invested primarily in fixed income securities and GM Class H common stock (valued at December 31, 2000 at \$438 million).

Certain of the Corporation's non-U.S. subsidiaries have post-retirement plans, although most participants are covered by government-sponsored or administered programs. The cost of such programs generally is not significant to GM.

(Dollars in millions)	U.S. Plans Pension Benefits		Non-U.S. Plans Pension Benefits		Other Benefits	
	2000	1999	2000	1999	2000	1999
Change in benefit obligations						
Benefit obligation at beginning of year	\$73,269	\$76,963	\$9,728	\$10,283	\$ 44,683	\$ 47,346
Service cost	900	1,007	177	202	448	502
Interest cost	5,425	4,722	630	604	3,346	2,802
Plan participants' contributions	32	37	25	29	47	41
Amendments	5	5,326	3	381	(49)	4
Actuarial losses (gains)	4,269	(4,565)	251	(700)	4,392	32
Benefits paid	(6,299)	(5,636)	(503)	(511)	(2,805)	(2,368)
Divestitures – Delphi Spin-Off	–	(4,652)	–	–	–	(3,590)
– Hughes' satellite systems	(1,263)	–	–	–	–	–
Curtailment charges and other	(207)	67	(400)	(560)	(173)	(86)
Benefit obligation at end of year	76,131	73,269	9,911	9,728	49,889	44,683
Change in plan assets						
Fair value of plan assets at beginning of year	80,462	75,007	7,062	5,976	6,291	4,574
Actual return on plan assets	634	13,582	821	965	421	207
Employer contributions	5,031	861	187	566	743	1,970
Plan participants' contributions	32	37	25	29	–	–
Benefits paid	(6,299)	(5,636)	(386)	(391)	(731)	(460)
Divestitures – Delphi Spin-Off	–	(3,369)	–	–	–	–
– Hughes' satellite systems	(1,841)	–	–	–	–	–
Settlement charges and other	(153)	(20)	(312)	(83)	–	–
Fair value of plan assets at end of year	77,866	80,462	7,397	7,062	6,724	6,291
Funded status	1,735	7,193	(2,514)	(2,666)	(43,165)	(38,392)
Unrecognized actuarial loss (gain)	9,195	(2,463)	555	586	6,444	1,842
Unrecognized prior service cost	8,442	9,850	909	1,048	207	212
Unrecognized transition obligation (asset)	1	(47)	63	52	–	–
Net amount recognized	\$19,373	\$14,533	\$ (987)	\$ (980)	\$(36,514)	\$(36,338)
Amounts recognized in the consolidated balance sheets consist of:						
Prepaid benefit cost	\$20,184	\$15,267	\$1,676	\$ 809	\$ –	\$ –
Accrued benefit liability	(936)	(815)	(2,668)	(2,612)	(36,514)	(36,338)
Intangible asset	56	13	1	700	–	–
Accumulated other comprehensive income	69	68	4	123	–	–
Net amount recognized	\$19,373	\$14,533	\$ (987)	\$ (980)	\$(36,514)	\$(36,338)

NOTE 14 Pensions and Other Postretirement Benefits (concluded)

The projected benefit obligation, accumulated benefit obligation, and fair value of plan assets for pension plans with accumulated benefit obligations in excess of plan assets were \$4.0 billion, \$3.4 billion, and \$0, respectively, as of December 31, 2000, and \$7.3 billion, \$6.8 billion, and \$3.5 billion, respectively, as of December 31, 1999.

	U.S. Plans Pension Benefits			Non-U.S. Plans Pension Benefits			Other Benefits		
(Dollars in millions) Years ended December 31,	2000	1999	1998	2000	1999	1998	2000	1999	1998
Components of expense									
Service cost	\$ 900	\$ 1,007	\$ 1,270	\$ 177	\$ 202	\$ 214	\$ 448	\$ 502	\$ 663
Interest cost	5,425	4,722	4,974	630	604	643	3,346	2,802	3,113
Expected return on plan assets	(7,666)	(6,726)	(6,815)	(578)	(526)	(516)	(650)	(377)	(286)
Amortization of prior service cost	1,416	926	1,173	97	99	99	(42)	(104)	(116)
Amortization of transition asset	(48)	(37)	(44)	(17)	(17)	(17)	-	-	-
Recognized net actuarial loss	8	348	331	2	79	75	70	124	97
Curtailments, settlements, and other	235	2,351	207	24	22	48	-	-	-
Discontinued operations	-	(2,349)	(409)	-	-	-	-	-	(966)
Net expense	\$ 270	\$ 242	\$ 687	\$ 335	\$ 463	\$ 546	\$3,172	\$2,947	\$2,505
Weighted-average assumptions									
Discount rate	7.3%	7.8%	6.8%	7.1%	7.1%	6.4%	7.7%	7.7%	6.7%
Expected return on plan assets	10.0%	10.0%	10.0%	9.0%	9.0%	9.2%	8.1%	8.3%	7.7%
Rate of compensation increase	5.0%	5.0%	5.0%	4.0%	4.0%	3.5%	4.3%	4.4%	4.4%

For measurement purposes, an approximate 8.6% annual rate of increase in the per capita cost of covered health care benefits was assumed for 2001. The rate was assumed to decrease on a linear basis to 5.0% through 2007 and remain at that level thereafter.

A one percentage point increase in the assumed health care trend rate would have increased the Accumulated Projected Benefit Obligation (APBO) by \$5.2 billion at December 31, 2000 and increased the aggregate service and interest cost components of non-pension postretirement benefit expense for 2000 by \$450 million. A one percentage point decrease would have decreased the APBO by \$4.4 billion and decreased the aggregate service and interest cost components of non-pension postretirement benefit expense for 2000 by \$375 million.

NOTE 15 Commitments and Contingent Matters

Commitments

GM had the following minimum commitments under noncancelable operating leases having terms in excess of one year primarily for real property: 2001 - \$541 million; 2002 - \$484 million; 2003 - \$406 million; 2004 - \$319 million; 2005 - \$273 million, and \$1.3 billion in 2006 and thereafter. Certain of the leases contain escalation clauses and renewal or purchase options. Rental expenses under operating leases were \$861 million, \$825 million, and \$826 million in 2000, 1999, and 1998, respectively.

GM sponsors a credit card program, entitled the GM Card program, that offers rebates that can be applied primarily against the purchase or lease of GM vehicles. The amount of rebates available to qualified cardholders at December 31, 2000 was \$3.8 billion, and \$3.7 billion at December 31, 1999 and 1998, respectively.

As part of a marketing agreement entered into with America Online, Inc. (AOL) on June 21, 1999, Hughes committed to increase its sales and marketing expenditures through 2002 by approximately \$1.5 billion related to DirecPC/AOL-Plus, DIRECTV, DIRECTV/AOL TV, and DirecDuo. At December 31, 2000, Hughes' remaining commitment under this agreement was approximately \$1.1 billion.

Contingent Matters

Litigation is subject to uncertainties and the outcome of individual litigated matters is not predictable with assurance. Various legal actions, governmental investigations, claims, and proceedings are pending against the Corporation, including those arising out of alleged product defects; employment-related matters; governmental regulations relating to safety, emissions, and fuel economy; product warranties; financial services; dealer, supplier, and other contractual relationships and environmental matters. In connection with the disposition by Hughes of its defense electronics business to Raytheon Company in 1997 and its satellite systems manufacturing businesses to The Boeing Company in 2000, there are disputes regarding the purchase price and other matters that may result in payments by Hughes to the acquiring companies that would be material to Hughes. GM has established reserves for matters in which losses are probable and can be reasonably estimated. Some of the matters may involve compensatory, punitive, or other treble damage claims, or demands for recall campaigns, environmental remediation programs, or sanctions, that if granted, could require the Corporation to pay damages or make other expenditures in amounts that could not be estimated at December 31, 2000. After discussion with counsel, it is the opinion of management that such liability is not expected to have a material adverse effect on the Corporation's consolidated financial condition or results of operations.

NOTE 16 Preferred Securities of Subsidiary Trusts**General Motors - Obligated Mandatorily Redeemable Preferred Securities of Subsidiary Trusts**

In July 1997, the General Motors Capital Trust D (Series D Trust) issued approximately \$79 million of its 8.67% Trust Originated Preferred SecuritiesSM (TOPrSSM) Series D, (Series D Preferred Securities), in a one-for-one exchange for 3,055,255 of the outstanding GM Series D 7.92% Depositary Shares, each representing one-fourth of a share of GM Series D Preference Stock, \$0.10 par value per share. In addition, the General Motors Capital Trust G (Series G Trust) issued approximately \$143 million of its 9.87% TOPrS, Series G (Series G Preferred Securities), in a one-for-one exchange for 5,064,489 of the outstanding GM Series G 9.12% Depositary Shares, each representing one-fourth of a share of GM Series G Preference Stock, \$0.10 par value per share.

Concurrently with the exchanges and the related purchases by GM from the Series D and Series G Trusts (Trusts) of the common securities of such Trusts, which represent approximately 3% of the total assets of such Trusts, GM issued to the wholly-owned Trusts, as the Series D Trust's sole assets its 8.67% Junior Subordinated Deferrable Interest Debentures, Series D, due July 1, 2012 and as the Series G Trust's sole assets, its 9.87% Junior Subordinated

Deferrable Interest Debentures, Series G, due July 1, 2012 (the "Series D Debentures" and "Series G Debentures" or collectively the "Debentures"), having aggregate principal amounts equal to the aggregate stated liquidation amounts of the Series D and Series G Preferred Securities and the related common securities, respectively (\$79 million with respect to the Series D Debentures and \$131 million with respect to the Series G Debentures).

On May 2, 2000, GM redeemed the Series D Trust's sole assets causing the Series D Trust to redeem the approximately 3 million Series D Preferred Securities. The Series D Preferred Securities were redeemed at a price of \$25 per share plus accrued and unpaid distributions of \$0.01 per share. Also, on May 2, 2000, GM redeemed the approximately 3 million outstanding Series D 7.92% Depositary Shares. The Series D 7.92% Depositary Shares were redeemed at a price of \$25 per share plus accrued and unpaid dividends of \$0.18 per share. The securities together had a total face value of approximately \$154 million.

On April 2, 2001, GM will redeem 5,064,489 outstanding Series G 9.87% TOPrS. The Series G TOPrS will be redeemed at a price of \$25 per security plus accrued and unpaid dividends of \$0.42 per share, for a total redemption price of \$25.42 per share.

SM "Trust Originated Preferred Securities" and "TOPrS" are service trademarks of Merrill Lynch & Co.

NOTE 17 Stockholders' Equity

The following table presents changes in capital stock for the period from January 1, 1998 to December 31, 2000 (dollars in millions):

	Preference Stocks	Common Stocks		Total Capital Stock
		\$1-2/3 par value	Class H	
<i>Balance at January 1, 1998</i>	\$ 1	\$1,156	\$10	\$1,167
Shares reacquired	—	(75)	—	(75)
Shares issued	—	11	1	12
<i>Balance at December 31, 1998</i>	1	1,092	11	1,104
Shares reacquired	(1)	(75)	—	(76)
Shares issued	—	16	3	19
<i>Balance at December 31, 1999</i>	—	1,033	14	1,047
Shares reacquired	—	(184)	—	(184)
Shares issued	—	65	74	139
<i>Balance at December 31, 2000</i>	\$ —	\$ 914	\$88	\$1,002

Preference Stocks

On June 24, 1999, as part of a strategic alliance with Hughes, AOL invested \$1.5 billion in return for approximately 2.7 million shares of GM Series H 6.25% Automatically Convertible Preference Stock, par value \$0.10 per share. This preference stock will automatically convert into GM Class H common stock in 2002, based upon a variable conversion factor linked to the GM Class H common stock price at the time of conversion, and accrues quarterly dividends at a rate of 6.25% per year. It may be converted earlier in certain limited circumstances. GM immediately invested the \$1.5 billion received from AOL into shares of Hughes Series A Preferred Stock designed to correspond to the financial terms of the GM Series H 6.25% Automatically Convertible Preference Stock. Dividends on the Hughes Series A Preferred Stock are payable to GM quarterly at an annual rate of 6.25%. Upon conversion of the GM Series H 6.25% Automatically Convertible Preference Stock into GM Class H common stock, Hughes will redeem the Series A Preferred Stock through a cash payment to GM equal to the fair market value of GM Class H common stock issuable upon the conversion. Simultaneous with GM's receipt of the cash redemption proceeds, GM will make a capital contribution to Hughes of the same amount.

Common Stocks

During the second quarter of 2000, GM completed an exchange offer in which GM repurchased 86 million shares of GM \$1-2/3 par value common stock and issued 92 million shares of GM Class H common stock. In addition, on June 12, 2000, GM contributed approximately 54 million shares and approximately 7 million shares of GM Class H common stock to the U.S. Hourly-Rate Employees Pension Plan and VEBA trust, respectively. The total value of the contributions was approximately \$5.6 billion. As a result of the exchange offer and employee benefit plan contributions, the economic interest in Hughes attributable to GM \$1-2/3 par value common stock decreased from approximately 62% to approximately 30% and the economic interest in Hughes attributable to GM Class H common stock increased from approximately 38% to 70% on a fully diluted basis.

On June 6, 2000, the GM Board declared a three-for-one stock split of the GM Class H common stock. The stock split was in the form of a 200% stock dividend, paid on June 30, 2000 to GM Class H common stockholders of record on June 13, 2000. All GM

Class H common stock per share amounts and numbers of shares for all periods presented have been adjusted to reflect the stock split. Furthermore, as a result of this stock split, the voting and liquidation rights of the GM Class H common stock were reduced from 0.6 votes per share and 0.6 liquidation units per share, to 0.2 votes per share and 0.2 liquidation units per share in order to avoid dilution in the aggregate voting or liquidation rights of any class. The voting and liquidation rights of the GM \$1-2/3 par value common stock were not changed. The voting and liquidation rights of GM \$1-2/3 par value common stock are one vote per share and one liquidation unit per share.

On July 24, 2000, Fiat S.p.A. purchased for \$2.4 billion approximately 32 million shares of GM \$1-2/3 par value common stock, or approximately 5.4% of GM's \$1-2/3 par value common stock outstanding as of that date.

The liquidation rights of the GM \$1-2/3 par value and GM Class H common stocks are subject to certain adjustments if outstanding common stock is subdivided, by stock split or otherwise, or if shares of one class of common stock are issued as a dividend to holders of another class of common stock. Holders of GM Class H common stock have no direct rights in the equity or assets of Hughes, but rather have rights in the equity and assets of GM (which includes 100% of the stock of Hughes).

The outstanding shares of GM Class H common stock may be recapitalized as shares of GM \$1-2/3 par value common stock at any time after December 31, 2002, at the sole discretion of the GM Board, or automatically, if at any time the Corporation should sell, liquidate, or otherwise dispose of 80% or more of the business of Hughes, based on fair market value of the assets, both tangible and intangible, of Hughes as of the date that such proposed transaction is approved by the GM Board. In the event of any recapitalization, all outstanding shares of GM Class H common stock will automatically be converted into GM's \$1-2/3 par value common stock at an exchange rate that would provide GM Class H common stockholders with that number of shares of GM \$1-2/3 par value common stock that would have a value equal to 120% of the value of their GM Class H common stock, on such date. A recapitalization of the type described in the prior sentence would occur if any of the triggering events took place unless the holders of GM common stock (including the holders of GM \$1-2/3 par value common stock and holders of the GM Class H common stock voting separately as individual classes) vote to approve an alternative proposal from the GM Board.

NOTE 17 Stockholders' Equity (concluded)

Other Comprehensive Income

The changes in the components of other comprehensive income (loss) are reported net of income taxes, as follows (dollars in millions):

Years ended December 31,	2000			1999			1998		
	Pre-tax Amount	Tax Exp. (Credit)	Net Amount	Pre-tax Amount	Tax Exp. (Credit)	Net Amount	Pre-tax Amount	Tax Exp. (Credit)	Net Amount
Foreign currency translation adjustments	\$ (741)	\$(272)	\$(469)	\$(1,519)	\$ (575)	\$ (944)	\$ (280)	\$ (1)	\$ (279)
Unrealized (loss) gain on securities:									
Unrealized holding (loss) gain	(481)	(179)	(302)	998	372	626	38	(14)	52
Reclassification adjustment	(175)	(62)	(113)	(171)	(60)	(111)	(115)	(40)	(75)
Net unrealized (loss) gain	(656)	(241)	(415)	827	312	515	(77)	(54)	(23)
Minimum pension liability adjustment	118	42	76	7,980	3,012	4,968	(1,657)	(630)	(1,027)
Other comprehensive (loss) income from continuing operations	\$(1,279)	\$(471)	\$(808)	\$ 7,288	\$2,749	\$4,539	\$(2,014)	\$(685)	\$(1,329)

NOTE 18 Earnings Per Share Attributable to Common Stocks

Earnings per share (EPS) attributable to each class of GM common stock was determined based on the attribution of earnings to each such class of common stock for the period divided by the weighted-average number of common shares for each such class outstanding during the period. Diluted EPS attributable to each class of GM common stock considers the impact of potential common shares, unless the inclusion of the potential common shares would have an antidilutive effect. All GM Class H common stock per share amounts and numbers of shares for all periods presented have been adjusted to reflect the three-for-one stock split, in the form of a 200% stock dividend, paid on June 30, 2000.

The attribution of earnings to each class of GM common stock was as follows (dollars in millions):

Years ended December 31,	2000	1999	1998
Earnings (losses) attributable to common stocks			
\$1-2/3 par value			
Continuing operations	\$3,957	\$5,592	\$2,914
Discontinued operations	-	426	(93)
Earnings attributable to \$1-2/3 par value	\$3,957	\$6,018	\$2,821
Earnings (losses) attributable to Class H	\$ 385	\$ (96)	\$ 72

Earnings attributable to GM \$1-2/3 par value common stock for the period represent the earnings attributable to all GM common stocks for the period, reduced by the Available Separate Consolidated Net Income (ASCNI) of Hughes for the respective period.

Earnings (losses) attributable to GM Class H common stock represent the ASCNI of Hughes, excluding the effects of GM purchase accounting adjustments arising from GM's acquisition of Hughes Aircraft Company, reduced by the amount of dividends accrued on the Series A Preferred Stock of Hughes (as an equivalent measure of the effect that GM's payment of dividends on the GM Series H 6.25% Automatically Convertible Preference Stock

would have if paid by Hughes). The calculated earnings (losses) used for computation of the ASCNI of Hughes is then multiplied by a fraction, the numerator of which is equal to the weighted-average number of shares of GM Class H common stock outstanding (681 million, 374 million, and 316 million for 2000, 1999, and 1998, respectively), and the denominator of which is a number equal to the weighted-average number of shares of GM Class H common stock which if issued and outstanding would represent a 100% interest in the earnings of Hughes (the "Average Class H dividend base"). The Average Class H dividend base was 1.3 billion, 1.3 billion, and 1.2 billion during 2000, 1999, and 1998, respectively. Upon conversion of the GM Series H 6.25% Automatically Convertible Preference Stock into GM Class H common stock, and the redemption of Series A Preferred Stock and simultaneous capital contribution to Hughes, both the numerator and the denominator used in the computation of ASCNI will increase by the number of shares of the GM Class H common stock issued.

In addition, the denominator used in determining the ASCNI of Hughes may be adjusted on occasion as deemed appropriate by the GM Board to reflect subdivisions or combinations of the GM Class H common stock, certain transfers of capital to or from Hughes, the contribution of shares of capital stock of GM to or for the benefit of Hughes employees, and the retirement of GM Class H common stock purchased by Hughes. The GM Board's discretion to make such adjustments is limited by criteria set forth in GM's Restated Certificate of Incorporation.

Effective January 1, 1999, shares of GM Class H common stock delivered by GM in connection with the award of such shares to and the exercise of stock options by employees of Hughes increase the numerator and denominator of the fraction referred to above. Prior to January 1, 1999, there was no dilutive effect resulting from the assumed exercise of stock options, because the exercise of stock options did not affect the GM Class H common stock dividend base (denominator). On occasion, in anticipation of exercises of stock options, Hughes purchases GM Class H common stock from the open market. Upon purchase, these shares are retired and therefore decrease the numerator and denominator of the fraction referred to above.

NOTE 18 Earnings Per Share Attributable to Common Stocks
(concluded)

The reconciliation of the amounts used in the basic and diluted earnings per share computations for income from continuing operations was as follows (dollars in millions, except per share amounts):

	\$1-2/3 Par Value Common Stock			Class H Common Stock		
	Income	Shares	Per Share Amount	ASCN	Shares	Per Share Amount
Year ended December 31, 2000						
Income from continuing operations	\$4,016			\$436		
Less: Dividends on preference stocks	59			51		
Basic EPS						
Income from continuing operations attributable to common stocks	3,957	582	\$6.80	385	681	\$ 0.56
Effect of Dilutive Securities						
Assumed exercise of dilutive stock options	(7)	9		7	27	
Diluted EPS						
Adjusted income from continuing operations attributable to common stocks	\$3,950	591	\$6.68	\$392	708	\$ 0.55
Year ended December 31, 1999						
Income (loss) from continuing operations	\$5,657			\$ (81)		
Less: Dividends on preference stocks	65			15		
Basic EPS						
Income (loss) from continuing operations attributable to common stocks	5,592	643	\$8.70	(96)	374	\$(0.26)
Effect of Dilutive Securities						
Assumed exercise of dilutive stock options	—	12		—	—	
Diluted EPS						
Adjusted income (loss) from continuing operations attributable to common stocks	\$5,592	655	\$8.53	\$ (96)	374	\$(0.26)
Year ended December 31, 1998						
Income from continuing operations	\$2,977			\$ 72		
Less: Dividends on preference stocks	63			—		
Basic EPS						
Income from continuing operations attributable to common stocks	2,914	663	\$4.40	72	316	\$ 0.23
Effect of Dilutive Securities						
Assumed exercise of dilutive stock options	(3)	11		3	12	
Diluted EPS						
Adjusted income from continuing operations attributable to common stocks	\$2,911	674	\$4.32	\$ 75	328	\$ 0.23

NOTE 19 Derivative Financial Instruments and Risk Management

GM is a party to financial instruments with off-balance-sheet risk. These financial instruments are used in the normal course of business to manage exposure to fluctuations in interest rates and foreign exchange rates, and to meet the financing needs of its customers.

The primary classes of derivatives used by GM are foreign exchange forward contracts and options, interest rate swaps and options, and forward contracts to purchase or sell mortgages or mortgage-backed securities. Those instruments involve, to varying degrees, market risk, as the instruments are subject to rate and price fluctuations, and elements of credit risk in the event a counterparty should default. Credit risk is managed through the approval and periodic monitoring of financially sound counterparties.

Derivative transactions are used to hedge underlying business exposures. Market risk in these instruments is offset by opposite movements in the underlying exposure. Cash receipts or payments on these contracts normally occur at maturity, or for interest rate swap agreements, at periodic contractually defined intervals.

Foreign Exchange Forward Contracts and Options

GM is an international corporation with operations in over 50 countries and has foreign currency exposures at these operations related to buying, selling, and financing in currencies other than the local currency. GM's most significant foreign currency exposures relate to Canada, Mexico, Western European countries (primarily Germany, the United Kingdom, Spain, Italy, Belgium, and France), Australia, Japan, and Brazil. The magnitude of these exposures significantly varies over time depending upon the strength of local automotive markets and sourcing decisions.

GM uses derivative financial instruments to manage certain of its foreign exchange exposures, primarily through foreign exchange forward contracts and purchased and written foreign exchange options. These agreements primarily hedge cash flows such as debt, firm commitments, and anticipated transactions involving vehicles, components, fixed assets, and subsidiary dividends. At December 31, 2000 and 1999, the Automotive, Communications Services, and Other Operations held foreign exchange forward contracts and options of \$6.2 billion and \$4.5 billion, respectively. At December 31, 2000 and 1999, the Financing and Insurance Operations held foreign exchange forward contracts and options of \$15.3 billion and \$13.3 billion (including cross-currency swaps of \$4.7 billion and \$5.2 billion), respectively.

The Automotive, Communications Services, and Other Operations had deferred hedging gains (losses) on outstanding foreign exchange forward contracts and options totaling \$34 million and \$(22) million at December 31, 2000 and 1999, respectively. The Financing and Insurance Operations had no deferred hedging gains on outstanding foreign exchange forward contracts and options (including cross-currency swaps) at December 31, 2000, compared with a deferred hedging gain of \$1 million at December 31, 1999.

The fair value of foreign exchange forward contracts (including cross-currency swaps) was determined by using current exchange rates. The fair value of foreign exchange options was estimated using pricing models with indicative quotes obtained for the market variables.

Interest Rate Swaps and Options

GM's financing and cash management activities subject it to market risk from exposure to changes in interest rates. GM has entered into various financial instrument transactions to maintain the desired level of exposure to the risk of interest rate fluctuations and to minimize interest expense. To achieve this objective, GM will, at times, use written options in the management of these exposures.

At December 31, 2000 and 1999, the total notional amount of interest rate contracts with off-balance-sheet risk was \$1.6 billion and \$1.0 billion, respectively, for the Automotive, Communications Services, and Other Operations. At December 31, 2000 and 1999, the Financing and Insurance Operations held such agreements with off-balance-sheet risk with notional amounts totaling \$44.3 billion and \$33.4 billion, respectively.

The Automotive, Communications Services, and Other Operations' net gains on interest rate swaps totaled approximately \$6 million and \$3 million at December 31, 2000 and 1999, respectively. Net (losses) gains on interest rate swaps for the Financing and Insurance Operations totaled approximately \$(5) million and \$45 million at December 31, 2000 and 1999, respectively.

The fair value of interest rate swaps, including contracts with optionality, was estimated using pricing models based upon current market interest rates. Exchange traded options are valued at quoted market prices.

Mortgage Contracts

The Corporation has also entered into contracts to purchase and sell mortgages at specific future dates and has entered into certain exchange-traded futures and option contracts to reduce exposure to interest rate risk. At December 31, 2000 and 1999, commitments to sell mortgage loans and securities totaled \$2.2 billion and \$1.6 billion, respectively, and commitments to purchase or originate mortgage loans totaled \$5.0 billion and \$4.8 billion, respectively. Exchange-traded futures and option contracts, used to hedge mortgage loans held for sale, had notional values of \$1.1 billion and \$6.3 billion at December 31, 2000 and 1999, respectively. Gains and losses on derivatives, including exchange-traded futures and option contracts, used to hedge interest rate risk associated with rate-locked funding commitments and mortgage loans held for sale, are deferred and considered in the reporting of the underlying mortgages on a lower of cost or market basis.

NOTE 19 Derivative Financial Instruments and
Risk Management (concluded)

The notional values of derivatives used to hedge price and interest rate risk associated with mortgage-related securities totaled \$11.8 billion and \$7.5 billion at December 31, 2000 and 1999, respectively. Gains and losses associated with these instruments are recognized in income in the current period on a marked to market basis. Derivatives used to hedge mortgage servicing rights had notional values of \$31.1 billion and \$17.2 billion at December 31, 2000 and 1999, respectively. Gains and losses on such contracts are recorded as an adjustment to amortization expense.

The fair value of mortgage contracts was estimated based upon the amount that would be received or paid to terminate the contracts based on market prices of similar financial instruments and current rates for mortgage loans. Book values and estimated fair values of financial instrument derivatives were as follows (dollars in millions):

Fair Value of Open Contracts
at December 31,

	2000		1999	
	Asset Position	Liability Position	Asset Position	Liability Position
Automotive, Communications Services, and Other Operations				
Foreign exchange contracts ⁽¹⁾	\$111	\$ 103	\$ 30	\$ 85
Interest rate contracts ⁽²⁾	\$ 33	\$ 3	\$ 2	\$ 18
Financing and Insurance Operations				
Foreign exchange contracts ^{(3) (5)}	\$239	\$1,106	\$386	\$862
Interest rate contracts ⁽⁴⁾	\$605	\$ 633	\$ 82	\$586
Mortgage contracts ⁽⁶⁾	\$446	\$ 101	\$105	\$102

1) The related asset (liability) recorded on the balance sheet totaled \$14 million and \$(15) million, at December 31, 2000 and 1999, respectively.

2) The related asset (liability) recorded on the balance sheet totaled \$2 million and \$(12) million, at December 31, 2000 and 1999, respectively.

3) The related (liability) recorded on the balance sheet totaled \$(959) million and \$(374) million, at December 31, 2000 and 1999, respectively.

4) The related asset recorded on the balance sheet totaled \$114 million and \$33 million, at December 31, 2000 and 1999, respectively.

5) Foreign exchange forward contracts included certain derivatives with both foreign exchange and interest rate exposures which had a fair value of \$(613) million and \$(368) million at December 31, 2000 and 1999, respectively.

6) The related asset recorded on the balance sheet totaled \$266 million and \$23 million, at December 31, 2000 and December 31, 1999, respectively.

Credit Risk

The financial instruments previously discussed contain an element of risk that the counterparties may be unable to meet the terms of the agreements. However, GM minimizes such risk exposure by limiting the counterparties to major international banks and financial institutions that meet established credit guidelines and by limiting the amount of its risk exposure with any one bank or financial institution. Management also reduces its credit risk for unused lines of credit by applying the same credit policies in making commitments as it does for extending loans. Management does not expect to incur any losses as a result of counterparty default. GM generally does not require or place collateral for these financial instruments, except for the lines of credit it extends. Because loans extended under these commitments are at market interest rates, there is no significant fair value position related to outstanding commitments.

GM has business activities with customers, dealers, and associates around the world. The Corporation's receivables from, and guarantees to, such parties are well diversified, and when warranted, are secured by collateral. Consequently, in management's opinion, no significant concentration of credit risk exists for GM.

NOTE 20 Fair Value of Financial Instruments

The estimated fair value of financial instruments has been determined using available market information or other appropriate valuation methodologies. However, considerable judgment is required in interpreting market data to develop estimates of fair value; therefore, the estimates are not necessarily indicative of the amounts that could be realized or would be paid in a current market exchange. The effect of using different market assumptions and/or estimation methodologies may be material to the estimated fair value amounts.

Book and estimated fair values of financial instruments, for which it is practicable to estimate fair value, were as follows (dollars in millions):

December 31,	2000		1999	
	Book Value	Fair Value	Book Value	Fair Value
Automotive, Communications Services, and Other Operations				
Assets				
Other assets ⁽¹⁾	\$ 3,269	\$ 3,244	\$ 4,450	\$ 4,431
Liabilities				
Long-term debt ⁽²⁾	\$ 7,410	\$ 7,019	\$ 7,415	\$ 7,139
Other liabilities ⁽¹⁾	\$ 516	\$ 548	\$ 535	\$ 559
Preferred securities of subsidiary trusts ⁽³⁾				
(Note 16)	\$ 139	\$ 136	\$ 218	\$ 206
Financing and Insurance Operations				
Assets				
Finance receivables – net ⁽⁴⁾	\$91,853	\$91,781	\$80,287	\$79,934
Other assets ⁽¹⁾	\$14,002	\$14,054	\$10,484	\$10,509
Liabilities				
Debt (payable beyond one year) ⁽²⁾	\$58,295	\$57,863	\$55,330	\$53,936

(1) Other assets include various financial instruments (e.g., long-term receivables and certain investments) that have fair values based on discounted cash flows, market quotations, and other appropriate valuation techniques. The fair values of retained subordinated interests in trusts and excess servicing assets (net of deferred costs) were derived by discounting expected cash flows using current market rates. Estimated values of Industrial Development Bonds, included in other liabilities, were based on quoted market prices for the same or similar issues.

(2) Long-term debt has an estimated fair value based on quoted market prices for the same or similar issues or based on the current rates offered to GM for debt of similar remaining maturities.

(3) The fair value of the GM-obligated mandatorily redeemable preferred securities of subsidiary trusts (see Note 16) was determined based on quoted market prices.

(4) The fair value was estimated by discounting the future cash flows using applicable spreads to approximate current rates applicable to each category of finance receivables.

Due to their short-term nature, the book value approximates fair value for cash and marketable securities, accounts and notes receivable (less allowances), accounts payable (principally trade), Automotive, Communications Services, and Other Operations' loans payable and Financing and Insurance Operations' debt payable within one year for the periods ending December 31, 2000 and 1999. Refer to Note 19 for fair value of derivative financial instruments.

NOTE 21 Stock Incentive Plans

Stock-Based Compensation

If compensation cost for stock options and other stock-based employee compensation awards had been determined based on the fair value at the grant date, consistent with the method prescribed by SFAS No. 123, GM's pro forma net income, earnings attributable to common stocks, and basic and diluted earnings per share attributable to common stocks would have been as follows (dollars in millions, except per share amounts):

	2000	1999	1998
Net income – as reported	\$4,452	\$6,002	\$2,956
– pro forma	\$4,125	\$5,788	\$2,761
Earnings (losses) attributable to common stocks			
\$1-2/3 – as reported	\$3,957	\$6,018	\$2,821
– pro forma	\$3,709	\$5,823	\$2,646
Class H – as reported	\$ 385	\$ (96)	\$ 72
– pro forma	\$ 306	\$ (115)	\$ 52
Basic earnings (losses) per share attributable to common stocks			
\$1-2/3 – as reported	\$ 6.80	\$ 9.36	\$ 4.26
– pro forma	\$ 6.38	\$ 9.06	\$ 4.00
Class H – as reported	\$ 0.56	\$ (0.26)	\$ 0.23
– pro forma	\$ 0.45	\$ (0.31)	\$ 0.16
Diluted earnings (losses) per share attributable to common stocks			
\$1-2/3 – as reported	\$ 6.68	\$ 9.18	\$ 4.18
– pro forma	\$ 6.26	\$ 8.88	\$ 3.92
Class H – as reported	\$ 0.55	\$ (0.26)	\$ 0.23
– pro forma	\$ 0.44	\$ (0.31)	\$ 0.16

NOTE 21 Stock Incentive Plans (continued)

The fair value of each option grant is estimated on the date of grant using the Black-Scholes option-pricing model with the following weighted-average assumptions:

	2000			1999			1998		
	GMSIP	Hughes Plan	GMSSOP	GMSIP	Hughes Plan	GMSSOP	GMSIP	Hughes Plan	GMSSOP
Interest rate	6.4%	6.5%	6.5%	4.8%	5.2%	4.8%	5.2%	5.6%	5.2%
Expected life (years)	5.0	6.9	5.0	5.0	7.0	5.0	5.0	6.2	5.0
Expected volatility	27.8%	42.1%	27.6%	27.9%	38.0%	27.9%	26.2%	32.8%	26.2%
Dividend yield	2.7%	—	2.7%	2.3%	—	2.3%	3.6%	—	3.6%

The effects of the Delphi spin-off adjustment on the number of options and related exercise prices, as described below, are considered, under SFAS No. 123, to be modifications of the terms of the outstanding options. Accordingly, the pro forma disclosure includes compensation cost for the incremental fair value, under SFAS No. 123, resulting from such modifications. The pro forma amounts for compensation cost are not indicative of the effects on operating results for future periods.

GM's stock incentive plans consist of the General Motors 1997 Stock Incentive Plan, formerly the General Motors Amended Stock Incentive Plan (the "GMSIP"), the Hughes Electronics Corporation Incentive Plan (the "Hughes Plan"), and the General Motors 1998 Salaried Stock Option Plan (the "GMSSOP"). The GMSIP and GMSSOP are administered by the Executive Compensation Committee of the GM Board. The Hughes Plan is administered by the Executive Compensation Committee of the Board of Directors of Hughes.

Under the GMSIP, 60 million shares of GM \$1-2/3 par value and 7.5 million shares of GM Class H common stocks may be granted from June 1, 1997 through May 31, 2002, of which approximately 27.2 million and 7.0 million were available for grants at December 31, 2000. Options granted prior to 1997 under the GMSIP generally are exercisable one-half after one year and one-half after two years from the dates of grant. Stock option grants awarded since 1997 vest ratably over three years from the date of grant. Option prices are 100% of fair market value on the dates of grant and the options generally expire 10 years from the dates of grant, subject to earlier termination under certain conditions.

Under the Hughes Plan, Hughes may grant shares, rights, or options to acquire up to 232.8 million shares of GM Class H common stock through December 31, 2000, of which 106.7 million were available for grants at December 31, 2000. Option prices are 100% of fair market value on the dates of grant and the options generally vest over two to five years and expire 10 years from the dates of grant, subject to earlier termination under certain conditions.

Under the GMSSOP, 50 million shares of GM \$1-2/3 par value common stock may be granted from January 1, 1998 through December 31, 2007, of which approximately 38.0 million were available for grants at December 31, 2000. Stock options vest one year following the date of grant and are exercisable two years from the date of grant. Option prices are 100% of fair market value on the dates of grant and the options generally expire 10 years and two days from the dates of grant subject to earlier termination under certain conditions.

In connection with the Delphi spin-off, the number of options and related exercise prices for outstanding options under the affected plans were adjusted to reflect the change in the fair market value of GM \$1-2/3 par value common stock that resulted from this transaction. The number of shares under option and the exercise price were adjusted such that the aggregate intrinsic value of the options immediately before and immediately after the transaction remained unchanged. All Class H common stock share amounts and numbers of shares for all periods presented have been adjusted to reflect the three-for-one stock split in the form of a 200% stock dividend paid on June 30, 2000.

NOTE 21 Stock Incentive Plans (concluded)

Changes in the status of outstanding options were as follows:

	GMSIP \$1-2/3 Par Value Common		GMSIP and Hughes Plan Class H Common		GMSSOP \$1-2/3 Par Value Common	
	Shares under Option	Weighted- Average Exercise Price	Shares under Option	Weighted- Average Exercise Price	Shares under Option	Weighted- Average Exercise Price
Options outstanding at January 1, 1998	32,366,657	\$51.40	46,483,887	\$ 9.57	—	\$ —
Granted	9,854,805	\$56.14	12,703,860	\$16.93	4,637,267	\$56.00
Exercised	8,242,624	\$44.08	6,165,504	\$ 7.57	—	\$ —
Terminated	454,558	\$54.45	2,941,392	\$10.65	341,644	\$56.00
Options outstanding at December 31, 1998	33,524,280	\$50.72	50,080,851	\$11.62	4,295,623	\$56.00
Granted	9,811,209	\$85.79	15,277,260	\$16.05	4,764,052	\$85.97
Exercised	7,902,380	\$46.04	10,798,119	\$ 9.83	—	\$ —
Terminated	3,198,739	\$55.25	4,294,746	\$13.49	2,285,969	\$73.56
Delphi Spin-Off adjustment	6,774,777	\$ —	—	\$ —	1,288,914	\$ —
Options outstanding at December 31, 1999	39,009,147	\$51.30	50,265,246	\$13.10	8,062,620	\$58.73
Granted	11,231,004	\$74.14	35,641,517	\$37.05	4,182,955	\$75.50
Exercised	6,831,078	\$42.95	6,545,206	\$11.45	1,635,248	\$46.59
Terminated	283,967	\$64.48	11,249,673	\$30.96	242,863	\$63.46
Options outstanding at December 31, 2000	43,125,106	\$58.49	68,111,884	\$22.76	10,367,464	\$67.30
Options exercisable at December 31, 2000	21,985,984	\$47.57	29,640,511	\$12.93	2,411,586	\$46.59

The following table summarizes information about GM's stock option plans at December 31, 2000:

Range of Exercise Prices	Options Outstanding	Weighted-Avg. Remaining Contractual Life (yrs.)	Weighted-Avg. Exercise Price	Options Exercisable	Weighted-Avg. Exercise Price
GMSIP \$1-2/3 Par Value Common					
\$13.00 to \$39.99	2,480,534	3.1	\$31.19	2,480,534	\$31.19
40.00 to 49.99	18,377,123	6.0	\$44.84	15,781,278	\$44.55
50.00 to 83.50	22,267,449	8.6	\$72.79	3,724,172	\$71.29
\$13.00 to \$83.50	43,125,106	7.2	\$58.49	21,985,984	\$47.57
GMSIP and Hughes Plan Class H Common					
\$ 3.00 to \$ 8.99	2,486,235	3.6	\$ 6.95	2,486,235	\$ 6.95
9.00 to 16.99	30,482,236	6.9	\$12.52	21,001,250	\$12.05
17.00 to 24.99	6,686,826	7.5	\$18.41	6,050,526	\$18.27
25.00 to 32.99	2,600,900	9.7	\$31.12	9,500	\$28.57
33.00 to 41.50	25,855,687	9.3	\$36.97	93,000	\$41.06
\$ 3.00 to \$41.50	68,111,884	7.9	\$22.76	29,640,511	\$12.93
GMSSOP \$1-2/3 Par Value Common					
\$46.59	2,411,586	7.0	\$46.59	2,411,586	\$46.59
71.53	3,846,103	8.0	\$71.53	—	\$ —
75.50	4,109,775	9.0	\$75.50	—	\$ —
\$46.59 to \$75.50	10,367,464	8.2	\$67.30	2,411,586	\$46.59

NOTE 22 Other Income and Other Expenses

Other income (included in Total net sales and revenues) and other expenses (included in Cost of sales and other expenses) consisted of the following (dollars in millions):

Years ended December 31,	2000	1999	1998
Automotive, Communications Services, and Other Operations			
Other income			
Interest income	\$ 619	\$ 769	\$ 726
Rental car lease revenue	1,722	1,765	1,229
Gain on sale of Hughes' satellite systems ⁽¹⁾	2,036	—	—
Other	865	938	930
Total other income	\$5,242	\$3,472	\$2,885
Total other expenses	\$ 348	\$ 503	\$ 792

Financing and Insurance Operations

Other income			
Interest income	\$1,794	\$1,479	\$1,379
Insurance premiums	1,394	1,339	1,426
Mortgage operations investment income and servicing fees	3,445	2,742	1,836
Other	870	157	58
Total other income	\$7,503	\$5,717	\$4,699
Other expenses			
Provision for financing losses	\$ 552	\$ 404	\$ 463
Insurance losses and loss adjustment expenses	1,028	882	1,013
Total other expenses	\$1,580	\$1,286	\$1,476

(1) Represents the gain on the sale of Hughes' satellite systems manufacturing businesses to The Boeing Company for \$3.8 billion in cash.

NOTE 23 Segment Reporting

SFAS No. 131, Disclosures about Segments of an Enterprise and Related Information, established standards for reporting information about operating segments in financial statements. Operating segments are defined as components of an enterprise about which separate financial information is available that is evaluated regularly by the chief operating decision maker, or decision making group, in deciding how to allocate resources and in assessing performance. GM's chief operating decision maker is the Chief Executive Officer. The operating segments are managed separately because each operating segment represents a strategic business unit that offers different products and serves different markets.

GM's reportable operating segments within its Automotive, Communications Services, and Other Operations business consist of General Motors Automotive (GMA) (which is comprised of four regions: GMNA, GME, GMLAAM, GMAP), Hughes, and Other. GMNA designs, manufactures, and markets vehicles primarily in North America under the following nameplates: Chevrolet, Pontiac, GMC, Oldsmobile, Buick, Cadillac, and Saturn. GME, GMLAAM, and GMAP meet the demands of customers outside North America with vehicles designed, manufactured, and marketed under the following nameplates: Opel, Vauxhall, Holden, Isuzu, Saab, Buick, Chevrolet, GMC, and Cadillac. Hughes includes activities relating to digital entertainment, information and communications services, and satellite-based private business networks. The Other segment includes the design, manufacturing, and marketing of locomotives and heavy-duty transmissions, the elimination of intersegment transactions, certain non-segment specific revenues and expenditures, and certain corporate activities. GM's reportable operating segments within its Financing and Insurance Operations business consist of GMAC and Other. GMAC provides a broad range of financial services, including consumer vehicle financing, full-service leasing and fleet leasing, dealer financing, car and truck extended service contracts, residential and commercial mortgage services, commercial, vehicle and homeowners' insurance, and asset-based lending. The Financing and Insurance Operations' Other segment includes financing entities operating in the U.S., Canada, Brazil, Germany, Sweden, and Mexico which are not associated with GMAC.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies except that the disaggregated financial results have been prepared using a management approach, which is consistent with the basis and manner in which GM management internally disaggregates financial information for the purposes of assisting in making internal operating decisions. GM evaluates performance based on stand-alone operating segment net income and generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties, that is, at current market prices. Revenues are attributed to geographic areas based on the location of the assets producing the revenues.

NOTE 23 Segment Reporting (continued)

(Dollars in millions)

GMNA

GME

GMLAAM

2000

Manufactured products sales and revenues:

External customers

\$111,481

\$23,815

\$5,470

Intersegment

(1,659)

1,040

184

Total manufactured products

109,822

24,855

5,654

Financing revenue

-

-

-

Other income

2,901

503

59

Total net sales and revenues

\$112,723

\$25,358

\$5,713

Depreciation and amortization

\$ 4,564

\$ 1,357

\$ 272

Interest income

\$ 633

\$ 403

\$ 22

Interest expense

\$ 1,175

\$ 408

\$ 101

Income tax expense (benefit)

\$ 1,218

\$ (209)

\$ (122)

(Losses) earnings of nonconsolidated associates

\$ (74)

\$ 7

\$ 69

Net income (loss)

\$ 3,174

\$ (676)

\$ 26

Investments in nonconsolidated affiliates

\$ 780

\$ 170

\$ 436

Segment assets

\$ 90,502

\$18,857

\$4,166

Expenditures for property

\$ 6,073

\$ 1,517

\$ 233

1999

Manufactured products sales and revenues:

External customers

\$110,388

\$24,646

\$4,445

Intersegment

(1,595)

1,025

234

Total manufactured products

108,793

25,671

4,679

Financing revenue

-

-

-

Other income

3,142

554

30

Total net sales and revenues

\$111,935

\$26,225

\$4,709

Depreciation and amortization

\$ 4,457

\$ 1,086

\$ 228

Interest income

\$ 929

\$ 433

\$ 45

Interest expense

\$ 1,223

\$ 337

\$ 95

Income tax expense (benefit)

\$ 2,361

\$ 220

\$ (156)

(Losses) earnings of nonconsolidated associates

\$ (30)

\$ 1

\$ 45

Net income (loss)

\$ 4,857

\$ 423

\$ (81)

Investments in nonconsolidated affiliates

\$ 539

\$ 52

\$ 332

Segment assets

\$ 82,851

\$18,156

\$4,102

Expenditures for property

\$ 4,604

\$ 1,228

\$ 358

1998

Manufactured products sales and revenues:

External customers

\$ 91,771

\$23,948

\$7,150

Intersegment

(1,450)

1,088

253

Total manufactured products

90,321

25,036

7,403

Financing revenue

-

-

-

Other income

2,296

804

150

Total net sales and revenues

\$ 92,617

\$25,840

\$7,553

Depreciation and amortization

\$ 4,138

\$ 1,102

\$ 366

Interest income

\$ 537

\$ 544

\$ 116

Interest expense

\$ 939

\$ 433

\$ 92

Income tax expense (benefit)

\$ 787

\$ 319

\$ (213)

Earnings (losses) of nonconsolidated associates

\$ 14

\$ (14)

\$ 102

Net income (loss)

\$ 1,633

\$ 419

\$ (175)

Investments in nonconsolidated affiliates

\$ 414

\$ 262

\$ 445

Segment assets

\$ 65,765

\$18,440

\$5,548

Expenditures for property

\$ 5,464

\$ 1,205

\$ 534

(a) Other includes income (loss) from discontinued operations related to Delphi of \$426 million and \$(93) million for the years ended December 31, 1999, and 1998, respectively.

(b) The amount reported for Hughes excludes amortization of GM purchase accounting adjustments related to GM's acquisition of Hughes Aircraft Company of approximately \$16 million (\$3 million related to PanAmSat and \$13 million related to the satellite systems manufacturing businesses prior to the sale to Boeing on October 6, 2000), \$21 million, and \$21 million for 2000, 1999, and 1998, respectively.

(c) Excludes satellite expenditures totaling \$766 million, \$789 million, and \$797 million in 2000, 1999, and 1998, respectively. Also excludes expenditures related to the early buy-out of satellite sale-leasebacks totaling \$0, \$370 million, and \$156 million in 2000, 1999, and 1998, respectively.

(d) The amount reported for Hughes includes the write-off of approximately \$329 million of unamortized goodwill related to the satellite systems manufacturing businesses at the time of the sale to Boeing.

GMAP	GMA	Hughes	Other	Total Automotive	GMAC	Other Financing	Total Financing
\$2,999	\$143,765	\$ 8,514	\$ 3,106	\$155,385	\$ -	\$ -	\$ -
435	-	34	(34)	-	-	-	-
3,434	143,765	8,548	3,072	155,385	-	-	-
-	-	-	-	-	15,493	1,009	16,502
172	3,635	2,141	(534)	5,242	8,168	(665)	7,503
\$3,606	\$147,400	\$10,689	\$ 2,538	\$160,627	\$ 23,661	\$ 344	\$ 24,005
\$ 107	\$ 6,300	\$ 996 ^{(b)(d)}	\$ 133	\$ 7,429	\$ 5,505	\$ 477	\$ 5,982
\$ 13	\$ 1,071	\$ 106	\$ (558)	\$ 619	\$ 2,231	\$ (437)	\$ 1,794
\$ 4	\$ 1,688	\$ 218	\$ (1,091)	\$ 815	\$ 8,295	\$ 442	\$ 8,737
\$ 17	\$ 904	\$ 577	\$ (38)	\$ 1,443	\$ 954	\$ (4)	\$ 950
\$ (195)	\$ (193)	\$ (142)	\$ (1)	\$ (336)	\$ -	\$ 4	\$ 4
\$ (233)	\$ 2,291	\$ 829 ^{(b)(d)}	\$ (281)	\$ 2,839	\$ 1,602	\$ 11	\$ 1,613
\$1,915	\$ 3,301	\$ 82	\$ 114	\$ 3,497	\$ 982	\$ (982)	\$ -
\$1,108	\$114,633	\$18,893	\$ (170)	\$133,356	\$168,410	\$ 1,334	\$169,744
\$ 168	\$ 7,991	\$ 993 ^(c)	\$ 216	\$ 9,200	\$ 518	\$ 4	\$ 522
\$2,706	\$142,185	\$ 7,325	\$ 3,125	\$152,635	\$ -	\$ -	\$ -
336	-	16	(16)	-	-	-	-
3,042	142,185	7,341	3,109	152,635	-	-	-
-	-	-	-	-	13,778	956	14,734
145	3,871	253	(652)	3,472	6,440	(723)	5,717
\$3,187	\$146,056	\$ 7,594	\$ 2,457	\$156,107	\$ 20,218	\$ 233	\$ 20,451
\$ 154	\$ 5,925	\$ 706 ^(b)	\$ 242	\$ 6,873	\$ 5,136	\$ 309	\$ 5,445
\$ 8	\$ 1,415	\$ 27	\$ (673)	\$ 769	\$ 1,744	\$ (265)	\$ 1,479
\$ 11	\$ 1,666	\$ 123	\$ (961)	\$ 828	\$ 6,526	\$ 396	\$ 6,922
\$ (7)	\$ 2,418	\$ (194)	\$ (57)	\$ 2,167	\$ 960	\$ (9)	\$ 951
\$ (149)	\$ (133)	\$ (189)	\$ (3)	\$ (325)	\$ (1)	\$ 1	\$ -
\$ (218)	\$ 4,981	\$ (270) ^(b)	\$ (243) ^(a)	\$ 4,468	\$ 1,527	\$ 7	\$ 1,534
\$ 926	\$ 1,849	\$ (11)	\$ (127)	\$ 1,711	\$ 2,257	\$ (2,257)	\$ -
\$1,343	\$106,452	\$18,841	\$ 268	\$125,561	\$148,789	\$ 380	\$149,169
\$ 150	\$ 6,340	\$ 472 ^(c)	\$ 249	\$ 7,061	\$ 321	\$ 2	\$ 323
\$2,814	\$125,683	\$ 5,924	\$ 2,669	\$134,276	\$ -	\$ -	\$ -
109	-	40	(40)	-	-	-	-
2,923	125,683	5,964	2,629	134,276	-	-	-
-	-	-	-	-	12,731	854	13,585
121	3,371	131	(617)	2,885	5,183	(484)	4,699
\$3,044	\$129,054	\$ 6,095	\$ 2,012	\$137,161	\$ 17,914	\$ 370	\$ 18,284
\$ 95	\$ 5,701	\$ 434 ^(b)	\$ 92	\$ 6,227	\$ 4,812	\$ 108	\$ 4,920
\$ 9	\$ 1,206	\$ 112	\$ (592)	\$ 726	\$ 1,524	\$ (145)	\$ 1,379
\$ 7	\$ 1,471	\$ 18	\$ (703)	\$ 786	\$ 5,787	\$ 56	\$ 5,843
\$ 9	\$ 902	\$ (45)	\$ 161	\$ 1,018	\$ 612	\$ 6	\$ 618
\$ (152)	\$ (50)	\$ (128)	\$ (61)	\$ (239)	\$ -	\$ -	\$ -
\$ (243)	\$ 1,634	\$ 272 ^(b)	\$ (372) ^(a)	\$ 1,534	\$ 1,325	\$ 97	\$ 1,422
\$ 395	\$ 1,516	\$ 41	\$ (607)	\$ 950	\$ 557	\$ (557)	\$ -
\$1,557	\$ 91,310	\$13,008	\$10,276	\$114,594	\$131,760	\$ 334	\$132,094
\$ 197	\$ 7,400	\$ 344 ^(c)	\$ 208	\$ 7,952	\$ 279	\$ -	\$ 279

NOTE 23 Segment Reporting (concluded)

Information concerning principal geographic areas was as follows (dollars in millions):

	2000		1999		1998	
	Net Sales & Revenues	Net Property	Net Sales & Revenues	Net Property	Net Sales & Revenues	Net Property
North America						
United States	\$136,399	\$22,798	\$130,073	\$20,634	\$105,672	\$19,454
Canada and Mexico	13,986	3,687	12,661	3,760	11,009	2,358
Total North America	150,385	26,485	142,734	24,394	116,681	21,812
Europe						
France	1,986	139	2,130	151	2,042	186
Germany	6,582	2,687	8,968	2,912	10,567	3,349
Spain	1,650	709	2,001	542	1,966	422
United Kingdom	5,035	834	5,390	1,070	5,379	1,192
Other	11,935	2,397	9,407	1,635	9,679	1,748
Total Europe	27,188	6,766	27,896	6,310	29,633	6,897
Latin America						
Brazil	3,395	1,047	2,830	1,409	4,773	1,879
Other Latin America	1,843	380	1,686	403	2,909	409
Total Latin America	5,238	1,427	4,516	1,812	7,682	2,288
All Other	1,821	698	1,412	759	1,449	1,611
Total	\$184,632	\$35,376	\$176,558	\$33,275	\$155,445	\$32,608

Supplementary Information Selected Quarterly Data (Unaudited)

	2000 Quarters			
	1st	2nd	3rd	4th ⁽¹⁾
<i>(Dollars in millions, except per share amounts)</i>				
Total net sales and revenues	\$46,858	\$48,743	\$42,690	\$46,341
Income before income taxes and minority interests	\$ 2,632	\$ 2,835	\$ 1,266	\$ 431
Income tax expense	783	929	436	245
Minority interests	2	2	(2)	11
Losses of nonconsolidated associates	(68)	(157)	1	(108)
Net income	1,783	1,751	829	89
Dividends on preference stocks	(29)	(27)	(27)	(27)
Earnings attributable to common stocks	\$ 1,754	\$ 1,724	\$ 802	\$ 62
Earnings (losses) attributable to \$1-2/3 par value	\$ 1,786	\$ 1,762	\$ 878	\$ (635)
(Losses) earnings attributable to Class H	\$ (32)	\$ (38)	\$ (76)	\$ 697
Basic earnings (losses) per share attributable to \$1-2/3 par value	\$ 2.88	\$ 2.99	\$ 1.57	\$ (1.14)
Basic (losses) earnings per share attributable to Class H ⁽³⁾	\$ (0.08)	\$ (0.07)	\$ (0.09)	\$ 0.80
Average number of shares of common stocks outstanding – basic (in millions)				
\$1-2/3 par value	620	590	559	559
Class H ⁽³⁾	413	563	874	875
Diluted earnings (losses) per share attributable to \$1-2/3 par value	\$ 2.80	\$ 2.93	\$ 1.55	\$ (1.16)
Diluted (losses) earnings per share attributable to Class H ⁽³⁾	\$ (0.08)	\$ (0.07)	\$ (0.09)	\$ 0.76
Average number of shares of common stocks outstanding – diluted (in millions)				
\$1-2/3 par value	637	602	567	559
Class H ⁽³⁾	413	563	874	962
Cash dividends per share of common stocks				
\$1-2/3 par value	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
Class H	\$ –	\$ –	\$ –	\$ –
Price range of common stocks				
\$1-2/3 par value ⁽²⁾ : High	\$ 88.13	\$ 94.63	\$ 76.63	\$ 68.25
Low	\$ 70.75	\$ 57.25	\$ 56.94	\$ 48.44
Class H ⁽²⁾⁽³⁾ : High	\$ 47.00	\$ 41.58	\$ 37.61	\$ 38.00
Low	\$ 30.50	\$ 27.33	\$ 24.63	\$ 21.33

(1) Fourth quarter 2000 results include: a \$939 million after-tax charge for the phase-out of Oldsmobile; an after-tax charge of \$294 million related to postemployment costs for termination and other postemployment benefits associated with the four North American manufacturing facilities slated for conversion and capacity reduction (see Note 3 to the GM consolidated financial statements); a \$419 million after-tax charge related to the reduction in production capacity at GME, including the restructuring of Vauxhall Motors Limited's manufacturing operations in the U.K.; and a \$1.1 billion after-tax gain at Hughes related to the sale of its satellite systems manufacturing businesses to The Boeing Company for \$3.8 billion in cash.

(2) The principal market is the New York Stock Exchange, and prices are based on the Composite Tape. GM \$1-2/3 par value common stock is also listed on the Chicago, Philadelphia and Pacific stock exchanges.

(3) Adjusted to reflect the three-for-one stock split of the GM Class H common stock, in the form of a 200% stock dividend, paid on June 30, 2000.

Supplementary Information Selected Quarterly Data (Unaudited)

(Dollars in millions, except per share amounts)	1999 Quarters			
	1st	2nd	3rd	4th ⁽¹⁾
Total net sales and revenues	\$42,435	\$45,067	\$42,794	\$46,262
Income from continuing operations before income taxes and minority interests	\$ 2,940	\$ 2,784	\$ 1,518	\$ 1,805
Income tax expense	1,029	956	553	580
Minority interests	(14)	(7)	(7)	—
Loss of nonconsolidated associates	(77)	(87)	(81)	(80)
Income from continuing operations	1,820	1,734	877	1,145
Income from discontinued operations	242	184	—	—
Net income	2,062	1,918	877	1,145
Dividends on preference stocks	(16)	(7)	(28)	(29)
Earnings attributable to common stocks	\$ 2,046	\$ 1,911	\$ 849	\$ 1,116
Earnings (losses) attributable to common stocks \$1-2/3 par value				
Continuing operations	\$ 1,783	\$ 1,754	\$ 866	\$ 1,196
Discontinued operations	242	184	—	—
Earnings attributable to \$1-2/3 par value	\$ 2,025	\$ 1,938	\$ 866	\$ 1,196
Earnings (losses) attributable to Class H	\$ 21	\$ (27)	\$ (17)	\$ (80)
Basic earnings (losses) per share attributable to common stocks \$1-2/3 par value				
Continuing operations	\$ 2.73	\$ 2.71	\$ 1.35	\$ 1.90
Discontinued operations	0.37	0.28	—	—
Earnings per share attributable to \$1-2/3 par value	\$ 3.10	\$ 2.99	\$ 1.35	\$ 1.90
Earnings (losses) per share attributable to Class H ⁽³⁾	\$ 0.07	\$ (0.08)	\$ (0.04)	\$ (0.19)
Average number of shares of common stocks outstanding – basic (in millions)				
\$1-2/3 par value	654	648	641	630
Class H ⁽³⁾	319	363	405	409
Earnings (losses) per share attributable to common stocks assuming dilution \$1-2/3 par value				
Continuing operations	\$ 2.68	\$ 2.66	\$ 1.33	\$ 1.86
Discontinued operations	0.36	0.28	—	—
Earnings per share attributable to \$1-2/3 par value	\$ 3.04	\$ 2.94	\$ 1.33	\$ 1.86
Earnings (losses) per share attributable to Class H ⁽³⁾	\$ (0.06)	\$ (0.08)	\$ (0.04)	\$ (0.19)
Average number of shares of common stocks outstanding – diluted (in millions)				
\$1-2/3 par value	667	660	652	643
Class H ⁽³⁾	335	363	405	409
Cash dividends per share of common stocks \$1-2/3 par value	\$ 0.50	\$ 0.50	\$ 0.50	\$ 0.50
Class H	\$ —	\$ —	\$ —	\$ —
Price range of common stocks \$1-2/3 par value ⁽²⁾ : High	\$ 93.88	\$ 94.88	\$ 72.44	\$ 79.06
Low	\$ 69.19	\$ 61.06	\$ 59.75	\$ 60.69
Class H ⁽²⁾⁽³⁾ : High	\$ 17.67	\$ 21.29	\$ 20.81	\$ 32.54
Low	\$ 12.83	\$ 16.31	\$ 16.25	\$ 18.65

(1) Fourth quarter 1999 results included: an after-tax charge of \$553 million for postemployment benefits related to the reversal of a liability for benefits payable to excess U.S. hourly employees (see Note 3 to the GM consolidated financial statements); an after-tax charge of \$408 million for hourly retiree benefits related to the benefit increase granted to hourly retirees in connection with the 1999 United Auto Workers (UAW) agreement; a \$90 million after-tax charge for termination benefits related to a U.S. salaried early retirement program; and an after-tax charge of \$165 million related to Hughes' decision to discontinue certain of its wireless manufacturing operations.

(2) The principal market is the New York Stock Exchange, and prices are based on the Composite Tape. GM \$1-2/3 par value common stock is also listed on the Chicago, Philadelphia, and Pacific stock exchanges.

(3) Adjusted to reflect the three-for-one stock split of the GM Class H common stock, in the form of a 200% stock dividend, paid on June 30, 2000.

Supplementary Information Selected Financial Data (Unaudited)

	Years Ended December 31,				
(Dollars in millions, except per share amounts)	2000	1999	1998	1997	1996
Total net sales and revenues	\$184,632	\$176,558	\$155,445	\$172,580	\$158,281
Income from continuing operations	\$ 4,452	\$ 5,576	\$ 3,049	\$ 6,483	\$ 4,100
Income (loss) from discontinued operations	—	426	(93)	215	863
Net income	\$ 4,452	\$ 6,002	\$ 2,956	\$ 6,698	\$ 4,963
\$1-2/3 par value common stock					
Basic earnings per share (EPS) from continuing operations	\$ 6.80	\$ 8.70	\$ 4.40	\$ 8.52	\$ 5.08
Basic earnings (losses) per share from discontinued operations	\$ —	\$ 0.66	\$ (0.14)	\$ 0.18	\$ 0.98
Diluted EPS from continuing operations	\$ 6.68	\$ 8.53	\$ 4.32	\$ 8.45	\$ 5.04
Diluted earnings (losses) per share from discontinued operations	\$ —	\$ 0.65	\$ (0.14)	\$ 0.17	\$ 0.98
Cash dividends declared per share	\$ 2.00	\$ 2.00	\$ 2.00	\$ 2.00	\$ 1.60
Class H common stock ⁽¹⁾⁽³⁾					
Basic EPS from continuing operations	\$ —	\$ —	\$ —	\$ 0.77	\$ 0.61
Basic EPS from discontinued operations	\$ —	\$ —	\$ —	\$ 0.29	\$ 0.35
Diluted EPS from continuing operations	\$ —	\$ —	\$ —	\$ 0.77	\$ 0.61
Diluted EPS from discontinued operations	\$ —	\$ —	\$ —	\$ 0.29	\$ 0.35
Cash dividends declared per share	\$ —	\$ —	\$ —	\$ 0.33	\$ 0.32
Class H common stock ⁽¹⁾⁽⁴⁾					
Basic earnings (losses) per share from continuing operations	\$ 0.56	\$ (0.26)	\$ 0.23	\$ 0.01	\$ —
Diluted earnings (losses) per share from continuing operations	\$ 0.55	\$ (0.26)	\$ 0.23	\$ 0.01	\$ —
Cash dividends declared per share	\$ —	\$ —	\$ —	\$ —	\$ —
Class E common stock					
Basic EPS from discontinued operations	\$ —	\$ —	\$ —	\$ —	\$ 0.04
Diluted EPS from discontinued operations	\$ —	\$ —	\$ —	\$ —	\$ 0.04
Cash dividends declared per share	\$ —	\$ —	\$ —	\$ —	\$ 0.30
Total assets	\$303,100	\$274,730	\$246,688	\$221,767	\$216,965
Long-term debt ⁽²⁾	\$ 7,410	\$ 7,415	\$ 7,118	\$ 5,669	\$ 5,352
GM-obligated mandatorily redeemable preferred securities of subsidiary trusts	\$ 139	\$ 218	\$ 220	\$ 222	\$ —
Stockholders' equity	\$ 30,175	\$ 20,644	\$ 15,052	\$ 17,584	\$ 23,413

Reference should be made to the notes to GM's consolidated financial statements and Management's Discussion and Analysis of Financial Condition and Results of Operations.

(1) Adjusted to reflect the three-for-one stock split of the GM Class H common stock, in the form of a 200% stock dividend, paid on June 30, 2000.

(2) Calculated from Automotive, Communications Services, and Other Operations only.

(3) Prior to its recapitalization on December 17, 1997.

(4) Subsequent to its recapitalization on December 17, 1997.



→ Eyes on the road, *hands on the wheel.*

Eyes on the road, hands on the wheel. This mantra drives the way GM incorporates information technology into vehicles. GM leads the automotive industry in addressing the many distractions people encounter while driving.

**The bottom line
is that vehicle safety
isn't just one thing –
it's everything.**

An estimated 25% of all collisions in the United States involve some sort of distraction. Our SenseAble Driving program increases awareness of the driver distraction issue and includes educational materials, safe driving tips, and

an interactive computer demonstration to illustrate first-hand the risks of distracted driving.

GM has adopted a set of guiding principles to help ensure that in-vehicle communication and entertainment systems are designed to be safely integrated into vehicles. Guided by these common-sense principles, we have designed systems that minimize the number of steps required to complete a task – and some tasks can be performed only while the vehicle is in Park. An example of these principles at work is GM's OnStar system that provides safety, security, and information services with the touch of a single button.

The bottom line is that vehicle safety

isn't just one thing – it's everything. That includes everything that could distract drivers from their most important task – driving responsibly. Safety is a major part of the promise of technology, and safety is our priority in delivering the promise.

To find out more about what GM is doing in the area of corporate and social responsibility, we invite you to read the *GM Environmental, Health, and Safety Report* and the *GM Philanthropic Report*. You can find these reports on the Internet at www.gmability.com, or obtain copies by calling (313) 667-1500.

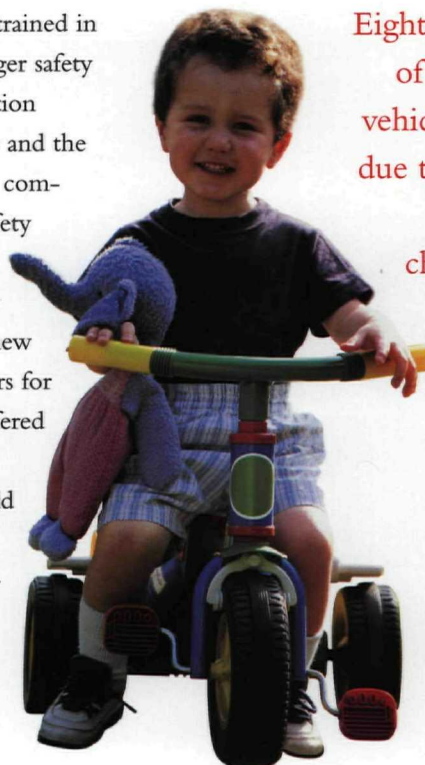
GMability.com

→ Every child should *live safely*.

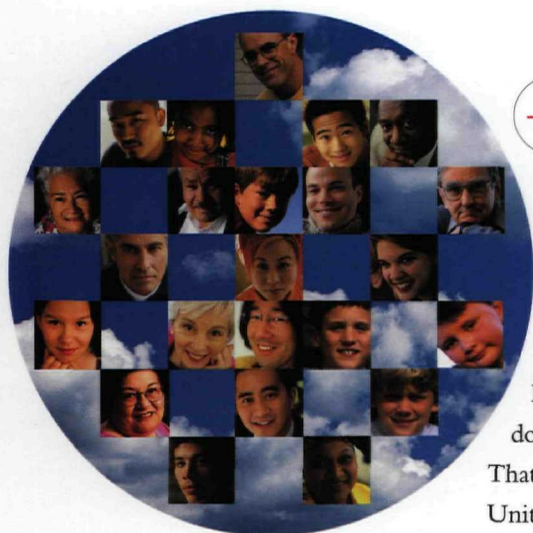
Eighty-five percent of children in vehicles are at risk due to improperly installed child safety seats. That's why GM has partnered with the National SAFE KIDS Campaign to promote the proper use and installation of child restraint systems in vehicles. As the first automotive manufacturer to launch a comprehensive nationwide effort to improve child passenger safety, GM and the SAFE KIDS BUCKLE UP program have checked more than 150,000 child safety seats and given away more than 86,000 seats to families at checkup events held at GM dealerships, malls, child care centers, and other venues. More than 3,000 GM dealers participate in the program, and more than 2,300

of their employees have been trained in the proper use of child passenger safety seats. The National Transportation Safety Board recognized GM's and the United Auto Workers' (UAW) commitment to child passenger safety with a Special Act Award.

Child safety is made easier with the introduction of the new Lower Anchors and Top Tethers for Children (LATCH) system offered on several 2001 GM models. With the LATCH system, child safety seats can be anchored to the vehicle frame, minimizing the risk that a seat will move out of its safe position in an accident.



Eighty-five percent of children in vehicles are at risk due to improperly installed child safety seats.



A grant from GM and the UAW will cover the cost of tissue-typing thousands of GM employees.

→ The right match *for life*.

An estimated 30,000 children and adults are diagnosed each year with life-threatening diseases for which a marrow or blood stem cell transplant might be a cure. But nearly 70% of these patients do not have a suitable family donor. That's why General Motors and the United Auto Workers (UAW) have joined forces to launch LifeMatch, a proactive UAW and GM employee donor recruiting campaign aimed at adding thousands of people to the National Marrow Donor Program

Registry. LifeMatch was kicked off at the GM Detroit-Hamtramck Assembly Center in October, just prior to the start of National Marrow Awareness Month. LifeMatch continues to sponsor recruiting drives at UAW-represented GM facilities across the United States. An important objective of the LifeMatch campaign is to raise awareness about the critical need for donors from minority groups, who tend to be underrepresented in national donor registry lists. The diverse UAW-GM work force can make a difference.



Board of Directors and Committees

1 Percy N. Barnevik^{3,5,6}
*Chairman,
 ABB Ltd.
 Director since 1996*

2 John H. Bryan^{1,2,4}
*Chairman,
 Sara Lee Corporation
 Director since 1993*

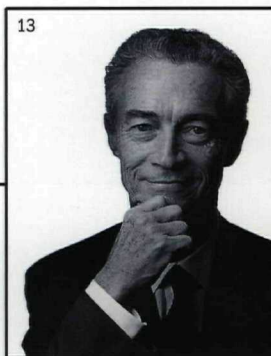
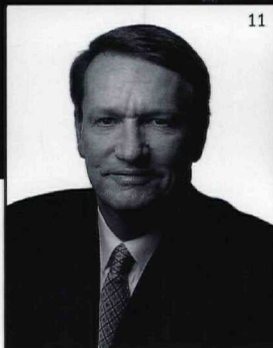
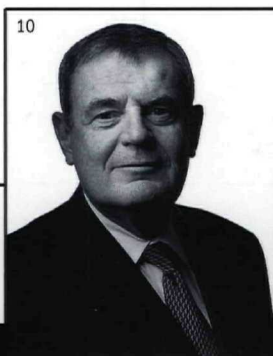
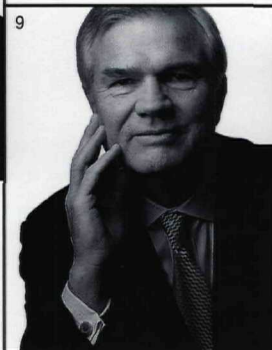
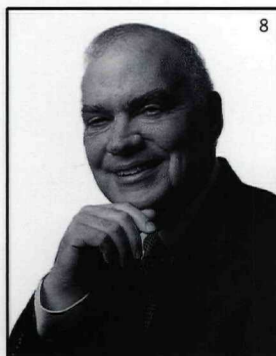
3 Thomas E. Everhart^{2,3,6}
*President Emeritus,
 California Institute of Technology
 Director since 1989*

4 George M.C. Fisher^{3,4,5}
*Retired Chairman and
 Chief Executive Officer,
 Eastman Kodak Company
 Director since 1996*

5 Nobuyuki Idei^{1,5}
*Chairman and Chief Executive Officer,
 Sony Corporation
 Director since 1999*

6 Karen Katen^{1,3,6}
*Executive Vice President, Pfizer Inc.;
 President, Pfizer Pharmaceuticals Group;
 President, Pfizer U.S. Pharmaceuticals Group;
 (effective April 1, 2000)
 Director since 1997*

7 J. Willard Marriott, Jr.^{3,4,5}
*Chairman and Chief Executive Officer,
 Marriott International, Inc.
 Director since 1989*



8 Harry J. Pearce
Vice Chairman,
General Motors Corporation
Director since 1996

9 Eckhard Pfeiffer^{1,2,4}
Retired President and
Chief Executive Officer,
Compaq Computer Corporation
Director since 1996

10 John F. Smith, Jr.⁵
Chairman,
General Motors Corporation
Director since 1990

11 G. Richard Wagoner, Jr.
President and Chief Executive Officer,
General Motors Corporation
Director since 1998

12 Lloyd D. Ward^{1,6}
Chairman and Chief Executive Officer,
iMotors
Director since 2000

13 Dennis Weatherstone^{1,2,4}
Retired Chairman,
J.P. Morgan & Company, Inc.
Director since 1986
(retires June 4, 2001)

- ¹ **Audit Committee**
Dennis Weatherstone, Chairman
- ² **Capital Stock Committee**
Eckhard Pfeiffer, Chairman
- ³ **Committee on Director Affairs**
J. Willard Marriott, Jr., Chairman
- ⁴ **Executive Compensation Committee**
John H. Bryan, Chairman
- ⁵ **Investment Funds Committee**
Percy N. Barnevik, Chairman
- ⁶ **Public Policy Committee**
Karen Katen, Chairman

Officers and Operating Executives (as of March 5, 2001)

Chairman

John F. Smith, Jr.

President and Chief Executive Officer

G. Richard Wagoner, Jr.

Vice Chairman

Harry J. Pearce

Vice Chairman and Chief Financial Officer

John M. Devine

Executive Vice Presidents

John D. Finnegan

*Chairman and President,
General Motors Acceptance
Corporation*

Ronald L. Zarrella

President, GM North America

Senior Vice Presidents

Thomas A. Gottschalk
General Counsel

Donald E. Hackworth

*North America Car and
Manufacturing
(retires April 1, 2001)*

Group Vice Presidents

Michael J. Burns

President, GM Europe

Gary L. Cowger

*GM Manufacturing and
Labor Relations*

Thomas J. Davis

GM Product Development

Peter H. Hanenberger

*Chairman and Managing Director,
Holden, Ltd.*

Frederick A. Henderson

*President, GM Latin America,
Africa and Middle East*

Robert W. Hendry

*Chairman and Managing
Director, Adam Opel AG and
Chairman, Saab Automobile AB*

Mark T. Hogan

e-GM

Harold R. Kutner

*Worldwide Purchasing and
North America Production Control
and Logistics*

William J. Lovejoy

*North America Vehicle Sales,
Service and Marketing*

Arvin F. Mueller

GM Powertrain

Rudolph A. Schlais, Jr.

President, GM Asia Pacific

Ralph J. Szygenda

*Information Systems & Services
and Chief Information Officer*

Vice Presidents and Operating Executives

Kathleen S. Barclay

*Global Human Resources and
GM University*

Guy D. Briggs

*General Manager,
Vehicle Manufacturing*

Lawrence D. Burns

*Research & Development
and Planning*

Wayne K. Cherry

Design Centers

Darwin E. Clark

*General Manager,
Industry-Dealer Affairs*

Troy A. Clarke

Labor Relations

Frank L. Colvin

GM Europe Engineering

Arturo S. Elias

*President and Managing Director,
GM de Mexico*

Gerald L. Elson

*General Manager,
Vehicle Operations*

Eric A. Feldstein

Treasurer

Roderick D. Gillum

*Corporate Relations and
Diversity*

Michael A. Grimaldi

*General Manager, Field Sales,
Service and Parts*

R. William Happel

*General Manager,
GM Locomotive*

Steven J. Harris

Communications

David J. Herman

*Russia and
Newly Independent States*

Jeffrey P. Hurlbert

*GM Europe, Sales, Marketing
and Aftersales*

V. Maureen Kempston Darkes

*President and General Manager,
GM of Canada, Ltd.*

Ned S. McClurg

*General Manager, Engineering
Operations, GM Powertrain*

John G. Middlebrook

*General Manager,
Vehicle Brand Marketing and
Corporate Advertising*

Dennis R. Minano

*Environmental & Energy and
Chief Environmental Officer*

Homi K. Patel

*General Manager,
Manufacturing Operations,
GM Powertrain*

James E. Queen

Vehicle Systems

W. Allen Reed

*President and
Chief Executive Officer,
GM Asset Management*

David N. Reilly

*Managing Director,
Vauxhall Motors Limited*

John F. Smith

*General Manager,
Service Parts Operations*

Michael T. Smith

*Chairman and
Chief Executive Officer,
Hughes Electronics Corporation*

Joseph D. Spielman

*General Manager,
Metal Fabricating Division and
Worldwide Facilities*

Thomas G. Stephens

Vehicle Integration

Cynthia M. Trudell

*Chairman and President,
Saturn Corporation*

John J. Wetzel II

*General Manager,
GM Technical Centers
(retires April 1, 2001)*

Gualterio Wieland

*President and Managing Director,
GM do Brasil*

James R. Wiemels

GM Europe Manufacturing

Other Officers

Peter R. Bible

Chief Accounting Officer

Wallace W. Creek

Controller

Nancy E. Polis

Secretary

Jacqueline K. Wagner

General Auditor

Roger D. Wheeler

Chief Tax Officer

General Information

Common Stock Symbols

GM: \$1-2/3 par value
GMH: Class H

GM Annual Meeting

The Annual Meeting of Stockholders will be held at 9:00 a.m. ET on Tuesday, June 5, 2001, in Wilmington, Delaware. Notice of the Annual Meeting and proxy materials will be mailed to stockholders in April.

Stockholder Assistance

For information about stock accounts, direct deposit of dividends or other dividend check issues, stock transfers, and address changes, please contact:

EquiServe
General Motors Corporation
P.O. Box 43009
Providence, RI 02940-3009
Phone: 1-800-331-9922
Phone outside continental U.S. and Canada:
781-575-3990

EquiServe representatives are available Monday through Friday from 9:00 a.m. to 5:00 p.m. ET to help with questions. Information is also available 24 hours a day via the touch-tone automated phone service (1-800-331-9922) or the EquiServe Web site at www.equiserve.com.

For other information, stockholders may contact:

GM Stockholder Services
General Motors Corporation
482-C38-B71
300 Renaissance Center
P.O. Box 300
Detroit, MI 48265-3000
313-667-1500
www.gm.com/company/investor_information

Dividend and Cash Investment Plan

Features of the plan include dividend reinvestment, optional cash investment, and safekeeping of stock certificates. Contact EquiServe at 1-800-331-9922 for a prospectus and enrollment information. The prospectus may be viewed on-line at www.gm.com/company/investor_information on the Stockholder Information page.

Securities Analyst and Institutional Investor Queries

GM Investor Relations
General Motors Corporation
482-C34-D71
300 Renaissance Center
P.O. Box 300
Detroit, MI 48265-3000
313-667-1667

Hughes Electronics Corporation Queries

Hughes Electronics Corporation
Investor Relations
Bldg. 001, M/S A144
P.O. Box 956
200 N. Sepulveda Blvd.
El Segundo, CA 90245-0956
310-662-9688

Available Publications

Annual Report
Proxy Statement
Form 10-K Annual Report
Form 10-Q Quarterly Report
General Motors 1999/2000 Report on Economic, Environmental, and Social Performance
GM Philanthropic Annual Report
GM's full-line product brochure
Transcript of the GM Annual Meeting

Select publications are available electronically or print copies may be requested at www.gm.com/company/investor_information.

To request publications by mail or phone, contact:

GM Fulfillment Center
480-000-FC1
30200 Stephenson Hwy.
Madison Heights, MI 48071
313-667-1434

Stockholder Communications

Stockholder News will be included with dividend mailings in the months of March, June, and September.

Visit GM on the Internet:

For information on all GM products and services, including our automotive brands, GMAC Financial Services, automotive service and parts, competition activities, OnStar, as well as investor and other public information, please visit www.gm.com.

To research and locate a new or used GM-brand vehicle (Cadillac, Buick, Oldsmobile, Pontiac, Chevrolet, GMC, Saturn, HUMMER, Opel, Vauxhall, Holden, Saab), and to find a GM dealer to purchase from, please visit www.globalbuypower.com.

GM Employee Savings Plans

Participants in the Savings-Stock Purchase Program or Personal Savings Plan should contact the GM Investment Service Center at 1-800-489-4646.

GM Customer Assistance Centers

To request product information or to receive assistance with your vehicle, please contact the appropriate marketing unit:

Chevrolet: 1-800-222-1020
Pontiac: 1-800-762-2737
Oldsmobile: 1-800-442-6537
Buick: 1-800-521-7300
Cadillac: 1-800-458-8006
GMC: 1-800-462-8782
Saturn: 1-800-553-6000
EV1: 1-800-253-5328
GM of Canada: 1-800-263-3777 (in Canada) or 905-644-6624 (from U.S.)
GM Mobility: 1-800-323-9935

GMAC Financial Services

GMAC Customer Service Center:
1-800-200-4622
GMAC Demand Notes/SMARTNOTES:
1-888-271-4066
SMARTLEASE and other SMART products: 1-800-327-6278
Home Mortgage & Home Equity Loans:
1-800-964-4622
Family First: 1-800-964-4622
GMAC Personal Insurance
GM Family: 1-800-328-5503
Consumers: 1-800-847-2886
Agency: 1-800-468-3466
GMAC Insurance
Mechanical Customer Service Center:
1-800-631-5590

Other Products and Services

GM Card: 1-800-846-2273
OnStar: 1-888-667-8277
DIRECTV: 1-800-347-3288
DirecPC: 1-800-347-3272

Principal Office

General Motors Global Headquarters
at the Renaissance Center
300 Renaissance Center
P.O. Box 300
Detroit, MI 48265-3000
313-556-5000





General Motors

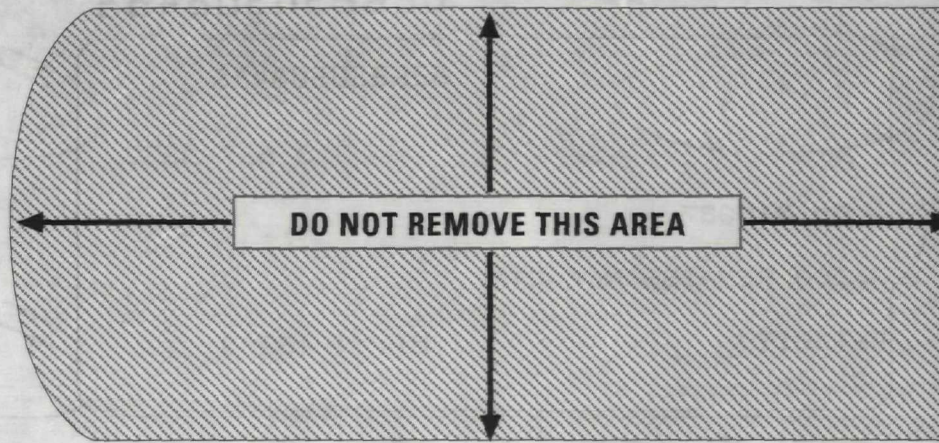
300 Renaissance Center

P.O. Box 300

Detroit, Michigan 48265-3000

www.gm.com





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1. Complete front page of the Airbill.
2. Retain "Sender's Copy" for your records.
3. Remove label backing.
4. Adhere Airbill to front of package.
Please DO NOT remove "FedEx Copy."

PEEL FROM THIS CORNER.

